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NEWSPAPER

Advertising Age

May 13, 1991

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Crain's International Newspaper of Marketing • In Two Sections • Section 1 • $2.50 • $3.00 in Canada • £3.50 in U.K.

LAST MINUTE NEWS

K-III mulling list?

NEW YORK—American Express Publishing Corp. President Thomas O. Ryder, *The New Yorker* President Steven T. Florio and former Diamandis Communications Inc. President Peter Diamandis are said to be among a short list of candidates to head the nine consumer publications K-III Holdings agreed to buy from News Corp. last month. Murdoch Magazines President Leslie Hinton will remain with News Corp. after the pending $650 million sale (AA, April 29). Messrs. Ryder and Florio declined comment, as did K-III officials; Mr. Diamandis couldn't be reached.

Nissan yanks net ads

CARSON, Calif.—Nissan has canceled all network TV commercials during July and September, replacing them with spot buys,
(Continued on Page 8)

INSIDE

TV Buying & Planning: Making sense of the media mess. **After Page 26**

FDA readies second strike

Cholesterol-related and 'light' claims next on list of targets

By Steven W. Colford and Judann Dagnoli

WASHINGTON—Food marketers using cholesterol-related or "light" claims will likely be next on the Food & Drug Administration's hit list, agency officials say.

Even as the FDA was completing its enforcement actions against food and beverage marketers for use of the term "fresh," the resurgent agency under new Commissioner David Kessler was looking for new targets.

"We are going to go into other areas," said Jeff Nesbit, FDA associate commissioner for public affairs. "I'm not yet in a position to say which. . . . There will be a definitive next step in an area like 'fresh,' where claims for marketing purposes are misleading to consumers."

"There will be a definitive next step . . . where claims for marketing purposes are misleading to consumers."

An FDA official said the agency felt that "if a food company wants to make an impact on consumers, a term they'll use is 'fresh' and another is 'cholesterol-free' or 'low-cholesterol.' "

The official mentioned "margarine or corn oil" as products that potentially will be scrutinized for cholesterol-related claims.

"Those are products that might tend to mislead customers into thinking that the product is good for their heart even though its fat content might not be," the agency official said. "But nothing has begun yet; we're still wrapping up 'fresh.' "

The 1938 Food, Drug & Cosmetics Act is the basis for the FDA's new enthusiasm for enforcement, said one official, who reiterated the agency's intention to look into possible misuses of "light" and cholesterol-related statements. The act, among other things, prohibits false and misleading claims.

In its pursuit of "fresh" offend-
(Continued on Page 46)

ANPA taps Black, plans big changes

By Rance Crain

VANCOUVER—The American Newspaper Publishers Association is spearheading a sweeping reorganization of the industry's selling and marketing arms. And it's banking on the surprise appointment last week of Cathie Black to president-ceo to get newspapers moving again.

The industry, brought together at the ANPA's 105th convention, seems determined to tap more national advertising and for the first time has launched an advertising program of its own.

The need for radical change dominated last week's meeting.

"We are currently a mass vehicle in a demassified market," Lloyd G. Schermer, chairman-ceo of Lee Enterprises and outgoing ANPA chairman, said in his keynote address. "We are attempting to sell product, not tailored solutions to marketing problems."

■ One on One interview with Cathie Black—Page 48.
■ Tina Brown tells ANPA how it misread the market—Page 48.

James Barry Agnew, VP-sales promotion of Canada's largest retailer, Hudson's Bay Co., added: "If you make the assumption we [newspapers and retailers] are both dinosaurs, who will adapt to change faster?"

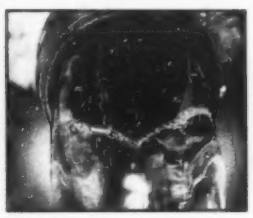
Ms. Black, in brief remarks at lunch May 7, said she's eager to work with advertisers to change their perceptions of newspapers and to bring more women and minorities into the business.

"I hope to create a sense of urgency about diversity—from the board room to the news room," she said. "It's good business, and it's long overdue. The face we put forward must reflect the future, not the past" *(see interview with Ms. Black on Page 48)*.

The former publisher of *USA Today* and exec VP-marketing of Gannett Co. assumes her new post June 17, and won the job over such candidates as James
(Continued on Page 48)

Cathie Black will be heading a restructured, more aggressive American Newspaper Publishers Association.

Voice-over: You're not just looking at a beer. . . .



VO: It's the ultimate refinement of the brewmeister's art.

(Bang. Bang. Bang.) **Different voice-over:** Coors Light, the official beer of the '90s. . . .

(Whir, whir.) **Nielsen:** Whooh. **VO:** Is the fastest growing light beer in America.

VO: It keeps growing and growing and growing. . . .

(Coors Light theme music and silver bullet.)

Eveready lashes Coors in court

By Julie Liesse and Ira Teinowitz

CHICAGO—Eveready Battery Co. executives lashed into Coors Brewing Co. last week in U.S. District Court for ripping off Eveready's award-winning Energizer bunny campaign.

"Coors is making a blatant attempt to take a free ride on our success," Michael Rivard, category manager for Eveready batteries, said in testimony before Judge Charles Norgle.

"It steals [our idea]—it's stolen it from Energizer batteries," he said. "It's a campaign we've spent a lot of money to develop. This would minimize our efforts and give a false association with Coors Light beer."

Judge Norgle this week is ex-
(Continued on Page 46)

The Triple Crown

Last month, U.S.News won three of the most prestigious awards in journalism.

1. Overseas Press Club Award

The Overseas Press Club Award for the Best General Magazine Article on Foreign Affairs for "The Most Dangerous Man in the World," a grave warning about the menace of Saddam Hussein – published ten weeks before Saddam invaded Kuwait. It meticulously outlined the size and scope of the arsenal being accumulated in Iraq.

Commenting on this cover story, the Washington Post said, "U.S.News can lay claim to some remarkable prescience.... Such editorial decisions are not flukes, but evidence of thinking ahead of the curve."

2. National Magazine Award

The National Magazine Award for Feature Writing for "Vietnam Story," a powerful reconstruction of the first major battle of that war and a tough analysis of its lessons and consequences -- written by Joseph Galloway, the only journalist present at that engagement 25 years ago.

Galloway also covered the war in the Persian Gulf for U.S.News, where his reporting was part of the extensive war coverage that Forbes magazine called "a journalistic coup.... Just as CNN left the networks running to catch up in TV coverage, U.S.News pulled off a similar feat over its newsweekly rivals."

3. Sigma Delta Chi Award

The Sigma Delta Chi Award for Magazine Reporting for "Death at Sea," an expose by Peter Cary of the Navy's investigation into the explosion aboard the *U.S.S. Iowa*. Within two months, the Navy reopened the case.

It's one example why government and business leaders in Washington, in a recent survey by Washingtonian magazine, rated U.S. News more accurate than any other newsmagazine. And why Forbes calls U.S.News "the most useful, readable newsweekly."

These three awards, plus the White House Correspondents' Association's Award for Presidential Coverage and sixteen other major awards received for 1990, confirm our commitment to deliver the best newsmagazine journalism in America.

U.S.News

NEWS SUMMARY

■ **Food & Drug Administration,** completing action against the term "fresh" on food and beverage items, may move against "light" and cholesterol-related claims next. 1

■ **Cathie Black,** former publisher of *USA Today*, was named president-ceo of the American Newspaper Publishers Association as part of a sweeping reorganization. 1

■ **Sears, Roebuck & Co.** said it will cut advertising costs of its merchandising group by $70 million to $80 million. 3

■ **Pepsi-Cola and Coca-Cola** plan massive summer promotions, both using musical tie-ins. 3

■ **Mail-order sales** by out-of-state marketers can be taxed in North Dakota, the state's high court held. 3

■ **Procter & Gamble** will eliminate the outer cartons for Sure and Secret deodorants, the latest move in the "green marketing" trend to reduce solid waste. 3

■ **Association of National Advertisers** board voted not to take a stand on the issue of sequential liability for media advertising bills. 4

■ **J.D. Power & Associates,** which rates auto owner satisfaction, has branched out into the computer field. 4

■ **Madonna's** "Truth or Dare" movie will get a "quiet" campaign from Miramax Films to broaden the film's appeal. 4

■ **Package-food marketers** are aiming new products at the growth of away-from-home meals. 6

■ **Frozen novelties** marketers plan increased ad spending this summer to counter a sales dip last year. 6

■ **American Isuzu Motors** ended its 11-year relationship with Della Femina, McNamee. 8

■ **Lever Bros. and Colgate-Palmolive** are expanding their efforts to blunt Procter & Gamble's lead in superconcentrated detergents. 16

■ **Sony Corp. of America** moved its $25 million-plus account to Leo Burnett Co. 17

■ **Eurocom is No. 1** among Europe's agency networks, with Dentsu the leader in the Asia/Pacific region and McCann-Erickson No. 1 in Latin America. 18

■ **Dad's root beer** is being repositioned for the youth market with a "Cool cool foam" theme. 36

■ **Hills Bros.** has rolled out Perfect Balance, a 50/50 blend of regular and decaffeinated coffee, similar to a product Philip Morris' Jacobs Suchard unit markets in Germany. 36

■ **Apple Computer** this week introduces System 7, a revision of the basic software for it Macintosh computers. 39

■ **Pay-per-call** 900-number services were the focus of two congressional hearings on restrictive legislation. 45

■ **"USA Today"** named Caroline Vesper senior VP-associate publisher, assuming some of the duties of former Publisher Cathie Black. 49

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Vol. 62, No. 20—ADVERTISING AGE (ISSN 0001-8899) is published weekly (except special issues the fourth week in January and the fourth week in September) by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Postmaster: Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.50 a copy, $79 a year, $130 two years. Add $126 per year for air delivery to Europe & Middle East. Add $54 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207-3185 1-800-678-9595. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

Eurocom's on top

Network is first in AA's European ranking

By Nancy Giges

GLOBAL NEWS

Eurocom is Europe's No. 1 agency network in *Advertising Age's* 1990 ranking of networks by geographical region.

In the Asia/Pacific, Dentsu remained the No. 1 network as did McCann-Erickson Worldwide in Latin America.

By purchasing the European agencies of the former HDM network and merging them with the former Eurocom WCRS Della Femina Ball network, Eurocom dominated Europe. The resulting network had $590.6 million in gross income on billings of $4 billion. In 1989, HDM ranked No. 8 and EWDB No. 11 in Europe.

Publicis FCB, the alliance between Publicis Communications, Paris, and Foote, Cone & Belding Communications, Chicago, dropped to the No. 2 slot with $422.5 million in gross income on billings of $2.9 billion.

In other jumps, RSCG Group moved to No. 8 from No. 16 and BDDP Group moved to No. 15 from No. 19. Lintas:Worldwide fell to No. 9 from No. 7, J. Walter Thompson Co. dropped to No. 11 from No. 9 and Lowe International fell to No. 17 from No. 15. N W Ayer and Armando Testa Group joined the top 20 last year.

The numbers submitted by RSCG for its French business have been challenged by Publicis FCB since they differ from those submitted to the French agency association, Association des Agences Conseils en Communication. That group didn't include "media representation" in RSCG's totals, and *Ad Age* did, but this publication is re-evaluating its position for next year.

Ad Age ranked RSCG France No. 1 in France and Publicis Conseil No. 2 (AA, March 25). The agency association ranked Publicis Conseil first and RSCG second.

If the agency association numbers were used to calculate this listing, RSCG would be ninth rather than eighth in Europe.

Rankings are based on gross income in dollar amounts that an agency organization derives from the region. The figures reflect the percentage of equity the network owns. Several large Japanese and Brazilian agencies were omitted because they lack offices outside their home countries.

As the world's largest agency and with most of its income derived from its home market, Dentsu dominated the Asia/Pacific region with 1990 gross income of nearly $1.2 billion on billings of nearly $9.1 billion. Other Japanese agencies stayed high on the 12-country region's list because of their size in their homeland and the yen's strength against the dollar.

Among agencies showing momentum was Ogilvy & Mather, moving up two places to No. 10, with gross income of $74.4 million on billings of $512.8 million.

In Latin America, McCann, with $70.6 million in gross income, maintained a strong lead over JWT, which had $46 million in gross income.

Young & Rubicam moved up to No. 4 from No. 6, bypassing Lintas and Duailibi, Petit, Zaragoza.

Because of the volatility of Latin American currencies, percentages of change to 1990 from 1989 weren't calculated.

Five agencies—McCann, O&M, JWT, Leo Burnett Co. and Saatchi & Saatchi Co.—are listed in all three regions. Only one, McCann, captured a No. 1 slot. JWT held a No. 2 position, and O&M held a No. 3.

As a group, the top 20 agency organizations in Europe accounted for gross income of $5.2 billion on billings of $35.5 billion. Gross income for the top 15 in Asia totaled $2.8 billion on billings of $21.3 billion, and the top 10 in Latin America had gross income of $306 million on billings of $2 billion □

Who's on top in Asia

Rank	Agency	'90 Asia/Pacific gross income by equity	% chg over '89	'90 Asia/Pacific billings by equity	% chg over '89
1	Dentsu	$1,165,567	(0.6)	$9,062,436	1.3
2	Hakuhodo	510,279	(2.2)	4,052,347	0.2
3	Daiko Advertising	159,471	4.9	1,246,936	2.7
4	Asatsu	116,860	2.6	916,497	9.5
5	Dai-Ichi Kikaku	115,958	(31.1)	820,312	(27.8)
6	I&S Corp.	104,153	9.9	833,230	8.2
7	Backer Spielvogel Bates	103,092	6.2	896,933	9.3
8	McCann-Erickson Worldwide	96,298	2.7	641,708	2.7
9	Dentsu, Young & Rubicam	74,433	25.5	515,564	35.3
10	Ogilvy & Mather	74,350	23.3	512,761	23.3
11	J. Walter Thompson Co.	73,755	12.3	485,274	12.0
12	Cheil Communications	73,067	14.1	274,085	10.8
13	Leo Burnett Co.	57,209	8.8	381,405	9.8
14	Saatchi & Saatchi Advertising	49,345	(2.4)	299,926	(5.9)
15	Chuo Senko Advertising	49,132	(2.9)	356,380	(5.3)

Figures are in thousands. Since a requirement to be listed as a network is for an agency to have at least one office outside the home country, the following Japanese agencies were omitted: Tokyu Agency, Tokyo; Yomiko Advertising, Tokyo; Asahi Advertising, Tokyo; Man Nen Sha, Osaka; Nihon Keizaisha Advertising, Tokyo; Orikomi Advertising, Tokyo; and Sogei, Tokyo. Source: *Advertising Age*

Who's on top in Europe

Rank	Agency	'90 European gross income by equity	% chg over '89	'90 European billings by equity	% chg over '89
1	Eurocom	$590,587	46.9	$4,021,271	49.7
2	Publicis FCB	422,467	19.5	2,852,581	20.7
3	Young & Rubicam	383,579	40.0	2,707,695	40.8
4	Saatchi & Saatchi Advertising	369,937	18.0	2,558,340	18.1
5	McCann-Erickson Worldwide	347,071	24.3	2,314,969	24.3
6	Backer Spielvogel Bates	315,681	20.8	2,104,811	21.7
7	Ogilvy & Mather	313,545	19.0	2,189,310	19.0
8	RSCG Group	295,420	NA	1,733,055	NA
9	Lintas:Worldwide	287,449	27.4	1,917,284	27.4
10	Grey Advertising	266,443	32.7	1,803,996	32.7
11	J. Walter Thompson Co.	265,499	25.3	1,914,579	28.4
12	D'Arcy Masius Benton & Bowles	249,575	20.6	1,904,469	22.2
13	DDB Needham Worldwide	239,757	37.6	1,599,172	32.8
14	BBDO Worldwide	195,708	32.5	1,362,947	33.9
15	BDDP Group	191,751	83.4	1,134,216	62.7
16	Leo Burnett Co.	135,835	31.6	905,589	31.5
17	Lowe International	117,081	14.7	910,224	18.5
18	TBWA	96,098	12.3	640,757	11.8
19	N W Ayer	68,513	20.5	485,977	15.3
20	Armando Testa Group	65,476	30.3	495,642	41.8

Figures are in thousands. Eurocom WCRS Della Femina Ball and HDM's European offices merged in 1990, resulting in Eurocom. Source: *Advertising Age*

Who's on top in Latin America

Rank	Agency	'90 Lat. Am. gross income by equity	'90 Lat. Am. billings by equity
1	McCann-Erickson Worldwide	$70,568	$470,693
2	J. Walter Thompson Co.	45,980	306,548
3	Ogilvy & Mather	36,368	250,814
4	Young & Rubicam	35,571	234,853
5	Lintas:Worldwide	25,689	171,347
6	Duailibi, Petit, Zaragoza	25,500	93,000
7	Leo Burnett Co.	22,097	147,321
8	Foote, Cone & Belding	16,167	109,960
9	BBDO Worldwide	14,107	74,639
10	Saatchi & Saatchi Advertising	14,072	93,817

Figures are in thousands. Percentages of change from 1989 to 1990 are not given for gross income and billings because of the volatility of Latin American currencies. Agencies omitted because they lack an office outside the home country include MPM Propaganda, Sao Paulo; Salles/Inter Americana, Sao Paulo; Norton Publicidade, Sao Paulo; and W/Brasil, Sao Paulo. Source: *Advertising Age*

AT&T campaign touts translation service

By Kate Fitzgerald

AT&T Co. wants to be the first long-distance telephone marketer to speak every language.

The telecommunications giant has started running its first TV spot for Language Line, its foreign-language interpreting service, and last week began a print campaign in national newspapers.

The year-old program offers 24-hour, live translation of more than 140 languages on three-way calls with interpreters.

Requests for Language Line have boomed in the past 12 months among telemarketing companies, insurance marketers, the hospitality industry, and law enforcement and emergency services agencies, said Karen Arnett, Language Line general manager.

"The program is growing due to huge numbers of foreign people moving to the U.S., plus the continued globalization of the world economy," she said. "Major opportunities are also opening up in Eastern Europe and Asia."

With the $5 million campaign, AT&T is now wooing the general public to the service. Language Line costs $3.50 per minute for consumers; the fee can be charged to any major credit card or AT&T's Calling Card. Fees for businesses are $2.75 per minute after a one-time, $1,500 sign-up fee.

The line can be accessed via a toll-free number.

The 30-second network TV spot features a conversation, via a translator, between a U.S. executive on a fishing vacation and a business associate who speaks Korean. The commercial is themed "It's in the cards," promoting services available through AT&T's Calling Card.

Wunderman Worldwide, New York, handles.

AT&T expects competitors including MCI Communications Corp. and US Sprint to start copying the service soon, Ms. Arnett said.

MCI has no similar service available yet, said Roy Gamse, senior VP-customer service, but the No. 2 long-distance marketer is rapidly adding new foreign language translation services to its operator and customer assistance departments.

No. 3 US Sprint also offers operator assistance "in a variety of languages," but the company has no plans at this point to market a translation service, said Steve Dykes, public relations manager. □

Mixed bag in E. Europe

Agency execs are optimistic despite problems

By Milan Ruzicka

PRAGUE—Western ad agencies are finding more problems than they bargained for in Eastern Europe but remain upbeat about long-term business prospects.

Local companies generally don't understand advertising, and international clients grossly overestimate the level of marketing sophistication in Eastern Europe, said Yves Englebert, office manager of McCann-Erickson Prague.

Clients tend to hire agencies to produce a single ad, not understanding the concept of an account or that ad strategy is an ongoing process, agency sources say.

"Sometimes I feel like a missionary, going from client to client trying to explain what advertising is all about," Mr. Englebert said.

With offices in Czechoslovakia, Yugoslavia, Hungary, Poland and the Soviet Union, McCann is among the most broadly represented Western ad agencies. The agency's major clients in Eastern Europe include General Motors Corp.'s Opel, Gillette Co. and Nestle.

Jiri Kratena, managing director of Young & Rubicam Czechoslovakia, said that availability of qualified people will determine the pace of Y&R's growth for some time to come. Y&R, with offices in Hungary and the Soviet Union as well as here, handles many local clients plus Minolta copiers.

Qualified people are hard to find, the executives say, and quality of work is so low that even simple jobs such as printing posters or developing film must be sent abroad.

Agencies must train art directors, media planners, account execs, designers and copywriters from scratch. There are no specialists in related fields from which to draw.

"Fortunately, the labor here is so cheap that you can hire two people for one job," Mr. Englebert he said.

In addition, Eastern European languages don't lend themselves to commercial slogans, the ad executives say. For example, it can take five words to express the meaning of a single English word. Grammar is more inflexible, so it's difficult to play with language as Western ads often do.

McCann is struggling with translating Gillette's slogan, "The best a man can get," Mr. Englebert said.

"The verbatim translation into Czech is correct but has lost all its punch," he said. "All the words seem too long, so we need to invent some new ones."

Most of these problems are found throughout Eastern Europe. Hungary, however, "has more experience with a market economy than Czechoslovakia and is ahead" of all the region's emerging democracies, he said.

But the agency executives insist this is the right time to be here.

"In five years, the agencies will be fighting for clients. . . . we have a head start," Mr. Englebert said. □

Crain Publications

MAY 13, 1991

TELEVISION

A JOINT REPORT BY ADVERTISING AGE AND ELECTRONIC MEDIA

BUYING & PLANNING

New rules

for juggling the budget

TELEVISION BUYING & PLANNING

A JOINT REPORT BY ADVERTISING AGE AND ELECTRONIC MEDIA

TO OUR READERS

Tracking television can be a terrific mess.
Network and spot, cable and syndication.
Upfront and scatter.
Program and daypart.
Audience size, composition and guarantees.
Underdelivery and make-goods.
CPMs and unit costs.
Multi-media and value-added packages.
It all can make an advertiser's head spin.

Recognizing that the components of the TV marketplace have become much more complex, Crain Communications Inc. sister publications *Advertising Age* and *Electronic Media* joined forces to bring some order to the chaos. This 36-page report tracking the trends and the issues in the TV ad marketplace is the fruit of those labors.

The timing of this project is far from coincidental.

As buyers head into the upfront TV ad buying season, lingering in their minds will be thoughts of the decline of network viewership; the lack of a network hit in the 1990-91 TV season—not to mention the inability of one network to emerge from the pack; economic downturns and budget tightening; and recent bargain-basement scatter market deals.

To more accurately gauge advertisers' attitudes and plans for TV spending, *Ad Age* and *EM* commissioned Bruskin Associates, New Brunswick, N.J., to conduct a survey of advertising agency and client-company media executives.

The sample size of 151 interviews, conducted via telephone, reflects a statistically reliable representation of both target respondent groups. It is important to note the interviews were conducted between Jan. 22 and Feb. 1, during the Persian Gulf War.

In stories appearing on the following pages, surveyed TV buyers discuss in hard numbers and percentages how they expect the next upfront and scatter markets to develop.

And if you're a TV seller, the picture doesn't look favorable.

Although buyers show TV still commanding the majority of ad expenditures, TV media are receiving a smaller percentage of total ad dollars.

They also reveal which of the various TV media are receiving the biggest chunk of TV dollars. Although network remains the venerable big-bucks player, cable is shown to have solidified its place as the up-and-coming TV medium.

Buyers also claim, for the first time in years, that they will set the tenor of upfront discussions. On the following pages they even tell TV media sellers—whom they expect to be in the mood to cut some choice deals—what they expect to see in terms of cost-per-thousand and unit-cost adjustments for the upfront season.

Multi-media, multi-year buys also are gaining in importance, according to surveyed buyers, although an exploration of the automakers' TV buying strategies shows current market conditions may make it smarter for many advertisers to sit on the sidelines and watch how the market proceeds.

Throughout this section, we have interspersed some faces with the names, introducing you to the men and women who buy TV and asking them a series of questions, from how they've gotten into the business to where it's heading.

As one of the buyers, Douglas Seay of Hal Riney & Partners, puts it, the upfront season will be "volatile and unpredictable. There's no secret formula to tell."

Hopefully, this section will help put it in focus.

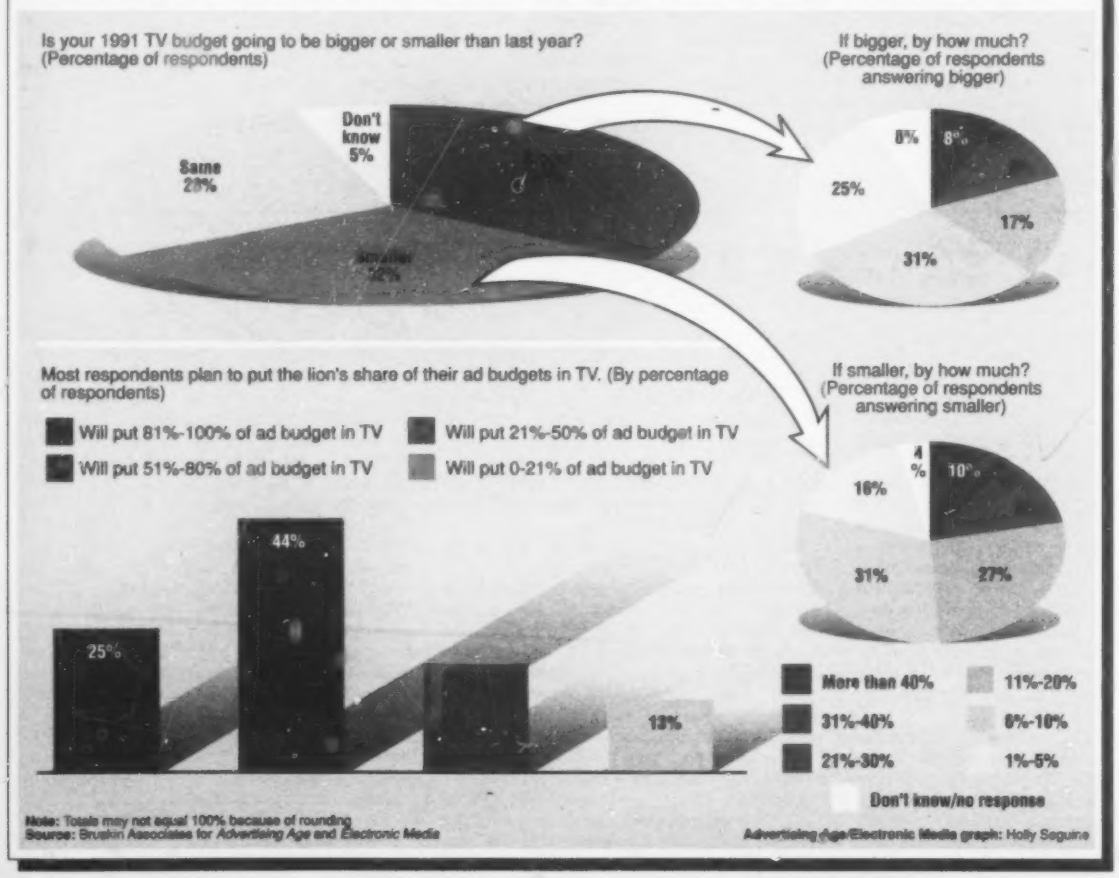
—The Editors

Major findings show TV's picture no brighter

One result emerges from the many findings of the Bruskin Associates survey of agency and client company media executives commissioned by *Advertising Age* and *Electronic Media:* The TV business is stuck in neutral–and that's an optimistic assessment.

Only 34% of survey respondents, whose opinions on issues facing TV media appear in stories throughout this report, increased their 1991 TV budgets.

Even those who are doing so aren't breaking the bank: 56% of those putting more money in TV buys are increasing budgets 10% or less.


Is your 1991 TV budget going to be bigger or smaller than last year? (Percentage of respondents)
Same 28%
Don't know 5%
If bigger, by how much? (Percentage of respondents answering bigger)
25%
8%
17%
31%
If smaller, by how much? (Percentage of respondents answering smaller)
16%
31%
27%
Most respondents plan to put the lion's share of their ad budgets in TV. (By percentage of respondents)
Will put 81%-100% of ad budget in TV
Will put 51%-80% of ad budget in TV
Will put 21%-50% of ad budget in TV
Will put 0-21% of ad budget in TV
25%
44%
13%
More than 40%
31%-40%
21%-30%
11%-20%
6%-10%
1%-5%
Don't know/no response

Note: Totals may not equal 100% because of rounding
Source: Bruskin Associates for *Advertising Age* and *Electronic Media*

Advertising Age/Electronic Media graph: Holly Seguine

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On the verge of Dark Age
Lousy economy, lower ad budgets, surfeit of inventory could add up to a lot of fence-sitting by buyers. *By Wayne Walley*

S-8
Why buy upfront?
Multitude of factors in 1991-92 season likely to upset the applecart on how time is bought. *By Joe Mandese*

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'More critical than price'
While the novelty has clearly worn off, multi-media deals inflame marketer interest. *By Christine Bunish*

S-22
Crash course in buying
Though GM's buy sent foes scurrying, the soft scatter market now has other automakers cooing. *By Raymond Serafin*

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Cover illustration by Richard A. Goldberg

TV enters Dark Age if forecasts are right

Lousy economy, lower ad budgets, inventory surfeit could add up to a lot of fence-sitting

By Wayne Walley

The outlook for the 1991-92 television season looks grim.

Early projections from TV buying veterans indicate the industry's ad revenues, at best, will slow this year. At worst, they'll come to a grinding halt.

Most advertisers and agency executives say TV spending for the 1991-92 TV season will be flat or down from the just-finished season, citing the economic recession for lowering the boom on ad budgets.

According to a Bruskin Associates survey commissioned by *Advertising Age* and *Electronic Media*, 32% of survey respondents say they will have a smaller TV budget this year, while another 28% report their budgets will be static.

In other words, three of every five survey respondents claim their final 1991 TV ad budgets will be no bigger than last year's.

Their TV spending plans reflect a tougher stance: Only 45% of respondents report 1990 budgets were flat or down from 1989 vs. 60% saying 1991 spending will not increase.

However, TV budgets are not necessarily being directed to other media. TV still receives the bulk of ad budgets: Survey respondents say they will allocate an average of 67% of their ad budgets to TV media including network, cable, syndication and spot.

TV simply appears to be suffering along with other media as total media advertising budgets tighten in the recession.

Richard A. Goldberg

"Budgets are down across the board," says Richard Kostyra, exec VP-U.S. director of media services for J. Walter Thompson USA, New York. "The odd person is up and a few are level."

The survey's respondents cite overall budget reductions most often as their reason for slashing TV spending. For example, of respondents who say they cut network TV spending last year, 55% attribute it to an overall ad budget reduction.

But not all the news from buyers is gloomy.

Sellers are heartened by the fact 34% of survey respondents say their 1991 TV ad budget will be bigger than in 1990.

"If more than 30% are saying their budgets will be bigger, I'll take that," says Jon Nesvig, senior VP-sales for Fox Broadcasting Co.

"Right now, frankly, the tension is over the uncertainty. People say budgets will be down or the same assuming the economic conditions remain the same. I don't know if that's an assumption that can be made," Mr. Nesvig says. "What we're seeing is maybe a bottoming out in the recession and a slow recovery with planned network TV expenditures a lagging indicator."

Mr. Nesvig theorizes some survey responses could have been restrained so buyers would retain a better bargaining position during upfront sales.

Some also might have been affected by the Persian Gulf War, which was in its second week when survey interviews were conducted.

But the attitude of the buying community has not changed in the months after the war's end.

"We're still in a recession," says Louis Schultz, exec VP-director of media services for Lintas:USA, New York. "With all the economic factors, clients have decided to hold back."

He says several clients are retaining the option to direct money that may be earmarked for media advertising toward the bottom line if the economy continues to sour into the fourth quarter.

Charles Bachrach, senior VP-director of network and programming for Rubin Postaer & Associates, Los Angeles, says people are being "understandably cautious" because of a bad economy and what has been a soft network scatter market in the first and second quarters of 1991.

"People are re-evaluating their strategies," Mr. Bachrach says.

What this means, he says, is the potential for more competition among TV media segments for a larger share of ad budgets.

For example, the cable industry and barter syndicators were once again trying to get the jump on the broadcast networks by making upfront presentations in April and early May.

Most cable networks are stressing their ability to deliver targeted audiences at a lower price than broadcast networks. This positioning allows them to take advantage of an attitude shift by some advertisers toward micromarketing and niche marketing, and may play well among advertisers looking for lower out-of-pocket costs.

Syndicators also are expounding on their lower costs. They also highlight the audience delivery of their products in various dayparts including weekday afternoons, prime-time access, prime time and late night.

In response, many believe the broadcast networks, sensing the trepidation of advertisers, might hold the line on price increases to reduce the cost differential between themselves and the other alternatives and spur more spending.

Some believe economic hard times mean a return to "tried and true" TV media, particularly network TV.

Burger King Corp., for example, plans to combat the recession by increasing its network TV spending with its "Your way. Right away" campaign via D'Arcy Masius Benton & Bowles, New

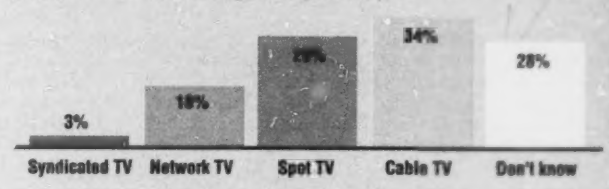
(Continued on Page S-8)

Where the money goes

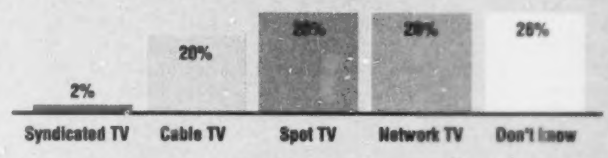
What percentage of your total 1991 ad budget will be placed in these media? (Percentage of respondents)

Percentage of budget	Network TV	Spot TV	Cable TV	Syndicated TV
None	21%	21%	15%	50%
1%-10%	7	21	58	32
11%-20%	11	18	12	6
21%-30%	12	8	4	1
31%-40%	13	11	3	1
41%-50%	11	8	0	1
51%-60%	9	1	0	1
61%-70%	5	3	0	0
71%-80%	4	1	0	0
81%-90%	1	1	0	0
91%-100%	0	0	0	0
Don't know	8	8	8	8

In your TV budget, which type of TV is receiving the greatest percentage increase in 1991? (Percentage of respondents)



In your TV budget, which type of TV is receiving the greatest dollar increase in 1991? (Percentage of respondents)



Note: Totals may not equal 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Holly Seguine

Call it a quadrennial or, in '92, call it a quandary

By Wayne Walley

One would expect TV salespeople to be eyeing the calendar, waiting for 1992 to roll around. Both a presidential election and Olympic Games are scheduled then, usually causing sales and spending booms.

But 1992 could be different.

"Anyone counting on the quadrennial [the four-year Olympics/election cycle] is putting faith in an unknown," says Richard Kostyra, exec VP-U.S. director of media services, J. Walter Thompson USA, New York.

"I don't think you can count on historic patterns next year," he says.

Normally, the Olympics tighten the marketplace by removing inventory from sale.

But the 1992 Games could help create a soft upfront selling season and soft scatter markets in the next TV season.

Marketers previously funded Olympics buys from budgets not related to media spending. But the increased cost of doing so now has made more companies plan to take money for the Olympics directly from TV ad budgets, media buyers say.

As buyers cut other TV budgets to pay for the Olympics, they'll have less to spend on the normal TV season.

"Clients will take [funds] out of existing budgets to pay for the Olympics. Then the networks can say how much they've brought in for the Olympics, but they will have to ask why prime-time spending is down, too," says Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles.

CBS and NBC, which are carrying the 1992 Winter and Summer Games, respectively, report about half of their Olympic inventory has been sold so far.

Media buyers say, however, the Olympic marketplace ground to a standstill during the Persian Gulf War and is just now slowly getting back in gear.

Buyers also question how strong an effect the 1992 presidential election will have on the TV marketplace.

Media planners now are wrestling with the various scenarios trying to determine how much money to commit upfront and how much to hold back in hopes of bargain prices.

"If the market is flat in terms of demand, the networks will wind up with excess supply, which means depressed prices [in scatter]," Mr. Bachrach says.

In that case, using history as a guide, the presidential election theoretically could fill the void in 1992. In 1988, the Bush for President Committee and the Dukakis for President Committee spent a combined $30.6 million on network TV, according to LNA/Arbitron Multi-Media Service.

But media buyers aren't so sure the networks can count on national spending by presidential candidates to rise in 1992.

"Money is tight and the Republican position is strong," says Mr. Kostyra.

However, Betsy Frank, senior VP-director of TV information and new media for Saatchi & Saatchi Advertising, New York, says local cable could benefit from its ability to allow local candidates to better target constituencies.

"Cable could be a formidable beneficiary on the local level," Ms. Frank says.

Cable reps, however, see themselves far behind spot TV as a medium for political ads.

Political spending on cable in 1992 will be significantly greater than in 1990 or 1988, says Robert Alter, president, Cabletelevision Advertising Bureau.

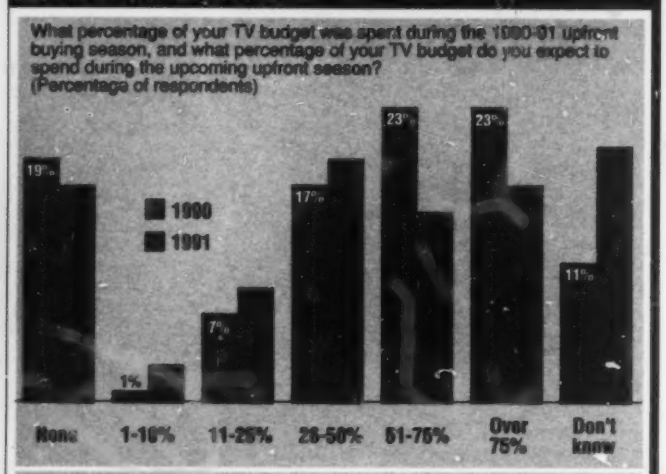
But, he adds, this amount won't begin to rival spot and local broadcast spending.

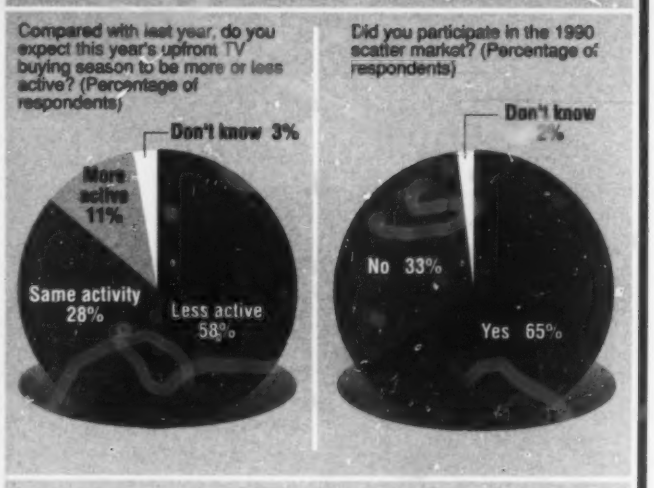
Total spending for spot and local political ads was $189.4 million in 1988 and $203.3 million in 1990, according to the Television Bureau of Advertising. Political ad spending on cable that year totaled about $12 million, according to the National Cable Television Association.

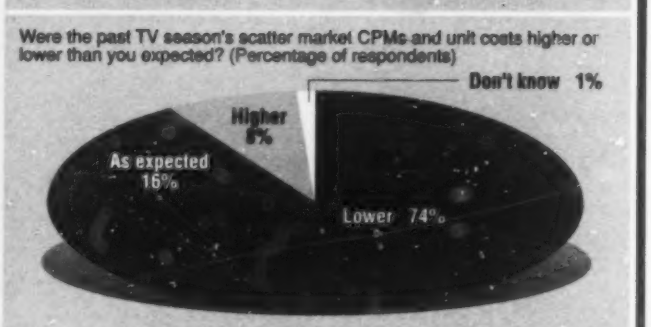
"My feeling is that in 1992 we will double what cable did the last time, in 1988," CAB's Mr. Alter says. "But I don't think cable will overtake [spot and local] next year." □

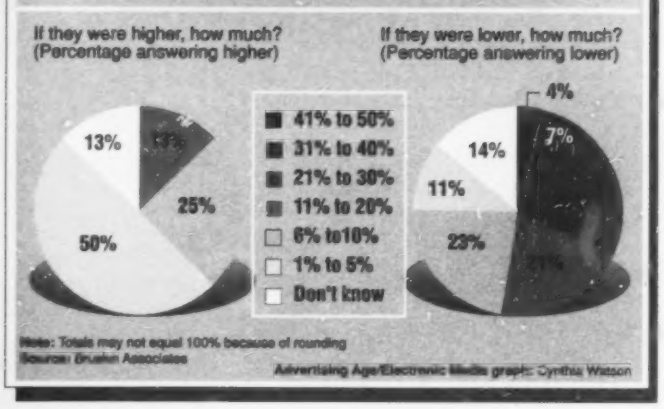
Steven W. Colford in Washington contributed to this story.

Upfront heads down




Compared with last year, do you expect this year's upfront TV buying season to be more or less active? (Percentage of respondents)
Don't know 3%
More active 11%
Same activity 28%
Less active 58%


Were the past TV season's scatter market CPMs and unit costs higher or lower than you expected? (Percentage of respondents)
Don't know 1%
Higher 8%
As expected 16%
Lower 74%



The cry grows louder: Why buy upfront?

Multitude of factors in 1991-92 season likely to upset the applecart on how time is bought

By Joe Mandese

It's late March.

A $100 million broadcast TV advertiser is on the phone discussing his 1991-92 buying strategy with his network buyer.

"I can buy cable, syndication, unwired networks and spot TV all cheaper than network. I'm buying network scatter for 50% of what I was paying in the upfront and it's guaranteed," says the client.

"So why in the world would I want to buy upfront?"

Such conversations have not been uncommon in recent months as major network advertisers began planning their buying strategies for the 1991-92 TV season.

With the softest scatter market in recent memory still fresh in their minds, many buyers are questioning the viability, let alone the vitality, of the upfront market.

The weak scatter market and the soft economy's effect on ad budgets threaten the networks' attempt to turn in another consecutive record-setting sales total in the upfront season.

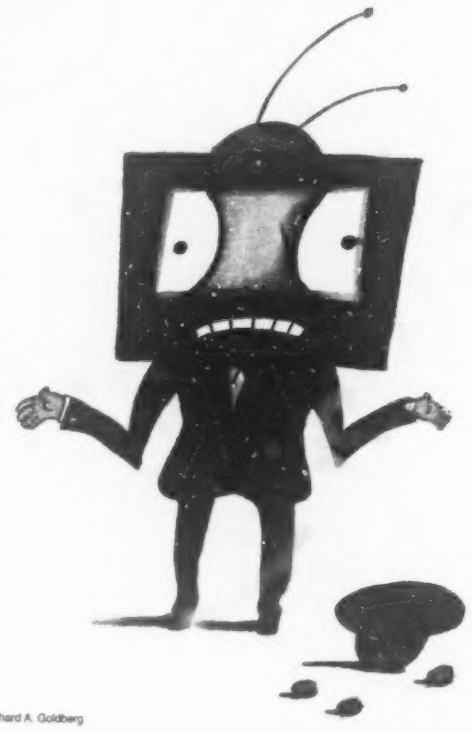
Advertisers traditionally buy upfront for price benefits, flexibility—advertisers generally can cancel up to 50% of upfront commitments, unlike typical scatter where all deals are firm—and ratings guarantees. But because the networks provided these options during the current season's scatter market, advertisers wonder whether they need to buy upfront this year.

"I don't think there has been an upfront market that has been more questionable," says Gene DeWitt, president of DeWitt Media, a New York-based media planning and buying company.

A Bruskin Associates survey of advertiser and agency media executives commissioned by *Advertising Age* and *Electronic Media* confirms this opinion. More than half the respondents—58%—expect the 1991 upfront buying season to be less active than last year. Only 11% predicted it would be more active and 28% said it would be the same.

"My gut feel is that this year's upfront will be down," predicts Bill Croasdale, exec VP-director of network and programming, Western International Media, Los Angeles.

The total upfront sales figure "could be down $500 million," Mr. Croasdale says. If this should happen, the upfront sales total would drop almost 12% to $3.8 billion from last year's $4.3 billion.


Richard A. Goldberg

Network sales executives are not as bearish, saying the market will be flat or just slightly down from last year's upfront.

It's not unusual for a soft scatter market to presage a soft upfront market, but the level and duration of 1990-91 scatter market softness has amplified the suggestions of how soft this year's upfront season could be.

Scatter market prices, which have been soft since the start of the current network season, bottomed out during the first quarter of 1991 because of concerns about the economy and displaced inventory from the networks' war coverage.

"You could get terrific bargains during the first quarter," says Doug Seay, VP-director of broadcast programming, Hal Riney & Partners, San Francisco. "We saw prime-time stuff available for 65% below what it was the year before in January, but that was the bottom of the barrel, just prior to the war."

First-quarter scatter unit prices averaged 35% to 40% below upfront rates, with some buyers reporting deals at 60% below upfront.

Although scatter prices have increased appreciably during the second quarter, they still remain significantly below upfront rates, with buyers reporting discounts of up to 15%.

Not only have these buys featured cut-rate prices, but some of the larger purchases came with audience

(Continued on Page S-12)

Dark Age

(Continued from Page S-4)

York, that broke last month.

But the fast-food marketer has not increased its annual $200 million ad budget to include the network TV bump. Instead, it plans to cut non-network TV spending and secondary programs.

Most media buyers say they will recommend a similar strategy to their clients if cuts have to be made in spending.

"In tight times, you work your way from the bottom to the most impactful media [when making cuts]," Mr. Schultz says.

According to the *Advertising Age/Electronic Media* survey, the bulk of TV budgets will go toward high-exposure network TV. Respondents name network TV most often as the TV business that offers the best return on advertising dollars. Network TV draws a 40% response, compared with 28% for cable, 17% for spot and 2% for syndication.

Accordingly, respondents say they'll spend an average of 39% on network TV in 1991, while spot TV will get an average of 26%, cable 11% and syndication 10%.

Both network TV and spot TV are mentioned most often as the types of TV receiving the greatest dollar increase in 1991 budgets. Cable TV is mentioned by 10% and syndication 6%, while network and spot were mentioned by 26% of respondents.

Others say the tough economy will force people to look for more value in media buys and become more discriminating.

"I hope buyers won't go the easy route to just tried and true media," says Mr. Bachrach. "You have to look for deals and opportunities."

Survey respondents most often name cable TV as receiving the greatest percentage increase in budgets this year among the various TV media. Some 34% of respondents say cable is receiving the largest budgetary bump, while spot TV is cited by 19%, network TV by 16% and syndication by 3%.

Some 70% of respondents increased their cable TV spending in 1990, while 50% boosted spot TV spending and 35% upped syndication spending.

Cable also is cited by 84% of survey respondents as the TV medium with the greatest growth potential. "Certain cable networks will do very well this year," Mr. Bachrach says.

Although he admits network TV generally offers the best costs per thousand viewers, "Often smaller clients are driven to cable by the smaller out-of-pocket costs."

If the economy picks up later this year, Mr. Schultz says TV ad budgets could increase, even though marketers may have started 1991 with the intent of reining in TV spending.

Most buyers believe network TV would be the first beneficiary as advertisers flock to take advantage of perceived bargains. Then, once the network economy tightens, other TV media may benefit even more as buyers again would seek alternatives to higher network prices.

Such a change in the economy would return the TV business to previous spending patterns that seemed to favor growth for alternative TV media.

If there's a silver lining among the predictions of reduced spending, it's that TV media are suffering no more than other outlets.

"This isn't an issue of TV doesn't work," says Mr. Schultz. "TV as a whole is not down. There are new ways to use it with cable, syndication and other things like switching network dayparts around. TV is still a priority for most advertisers." □

LET'S BE UPFRONT

The critical moment of the TV buying season is at hand.

Last year, advertisers poured $4.3 billion into upfront deals, but this year a weak scatter market, smaller ad budgets and higher costs could markedly reduce advertisers' interest.

To gauge what major buyers in each of the various upfront markets are thinking heading into the wheeling and dealing, Advertising Age *and* Electronic Media *conducted short interviews with top buyers in each. Their opinions appear throughout this section under the banner, "Let's be upfront."*

Appropriately, we start below with the children's upfront market, which breaks first.

Laurie Freeman, an Ann Arbor, Mich.-based free-lance writer, conducted the interviews.

Alan Bohbot, chairman, Bohbot Communications, New York

Syndication heads upfront: "This is the first time in modern times the syndicators broke before the networks; usually they go side-by-side or after the networks.

Alan Bohbot

'If we assume the total kids' advertising budget is frozen at about $550 million and syndication has now done well, about $160 million, something has to give. Either the Saturday morning network will give, although we expect that to be strong, or more likely cable or spot TV will be hurt."

The hot buys: "The hot stuff is pretty much the same stuff that was popular last year.

"The show we forecast [as] No. 1 will be 'Beetlejuice' on Fox [Broadcasting Co.]."

"Beetlejuice" also appears on ABC on Saturday mornings, and "the logic would be that if you had a show airing on Saturday and you add Monday through Friday, you'd be diluting the audience. But in the kids' market it works just the opposite.

"There appear to be two sets of kids: those who watch Saturday morning and those who watch Monday through Friday. The two groups don't overlap [in age], but there seems to be some synergistic effect. The additional exposure will help the audience."

The same effect should result from network moves to introduce animated shows into prime-time slots, he says.

"It raises the awareness of the show. Prime-time exposure would help, not hurt."

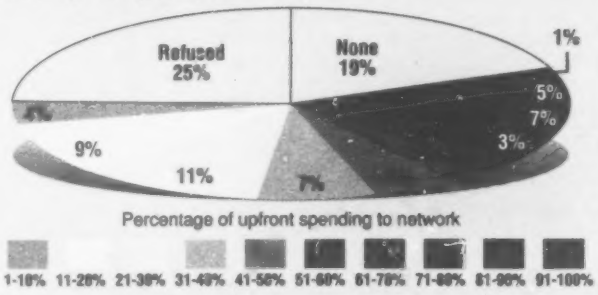
Scatter shot: There used to be "very little scatter. [But] I think what every syndicator did this year was say he's not going to stick around and wait to see whether there's scatter; they're going to go upfront. And they went upfront, aggressively priced and they sold out [their inventory].

"What it seems to be telling us is that the kids' business is really an upfront business and there's very little scatter to come."

—Laurie Freeman

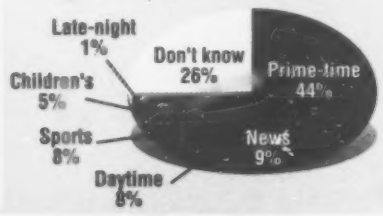
Still netting the upfront dollars

What percentage of upfront spending will go toward network TV? (Percentage of respondents)

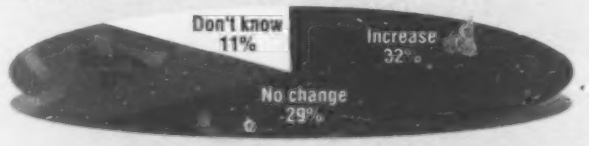


Does this represent an increase or decrease from last year?(Percentage of respondents)

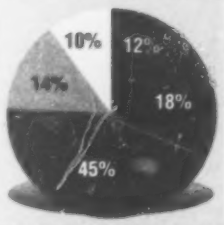
In which time period will you be most active during the network upfront buying season? (Percentage of respondents)

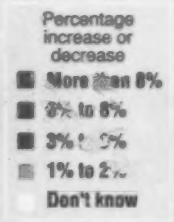


Will CPMs and unit costs during upfront network buying negotiations increase or decrease? (Percentage of respondents)

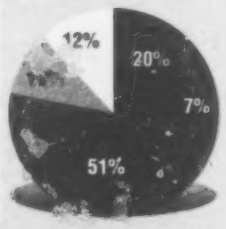


If you expect an increase, how much? (Percentage of those expecting an increase)





If you expect a decrease, how much? (Percentage expecting a decrease)



Note: Totals may not equal 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Cynthia Watson

Why buy upfront?

(Continued from Page S-8)

guarantees—a device usually reserved for upfront buyers.

"I would doubt that you are going to see anyone getting individually guaranteed deals for the third quarter [of 1991]," says Aaron Cohen, senior VP-director of national broadcast programming, N W Ayer, New York.

Moreover, advertisers have exercised higher than normal levels of their third-quarter cancellation options, which returned an estimated $200 million to the third-quarter scatter market. The inclusion of guarantees in scatter buys seems to undermine a primary reason for buying upfront, buyers say.

Other buyers say pricing will be the key ingredient in generating upfront sales.

"The question isn't whether the networks will discount this upfront. It's how much they will discount," says Louis Schultz, exec VP-director of media services, Lintas:USA, New York.

Early in this season, some buyers were talking about receiving discounts of as much as 50% below last year's upfront prices, but going into this year's negotiations, he says they will more likely be "down 15% to flat."

If prices increase, he says many buyers will sit out the upfront market and gamble on scatter prices and availability.

"Scatter won't stay soft forever, so you can't assume that this will happen again next year," says Mr. Seay. "It's soft now, but I'm not convinced that it is going to stay soft. And all you've got to do is get burned once."

But others say the current mood of the marketplace presages a soft future for the networks.

"The market is still soft, so there is more leverage," says Linda Urben, corporate manager-broadcast media, AT&T Co. "I think folks will be a little more conservative. Who would have known about the war and the recession this time around? So, I think budgets will be down."

Despite such warnings, some buyers say the networks can conduct a successful upfront season.

"Buying upfront will make sense, but only if the networks make it sensible," says Mr. DeWitt.

> "Scatter won't stay soft forever, so you can't assume this will happen again next year. It's soft now, but I'm not convinced that it is going to stay soft. All you've got to do is get burned once."

He says pricing and firm guarantees will be the primary motivating factors, but that other incentives may play a role, including value-added marketing, increased cancellation options and even options to expand network inventory during the year at previously negotiated rates.

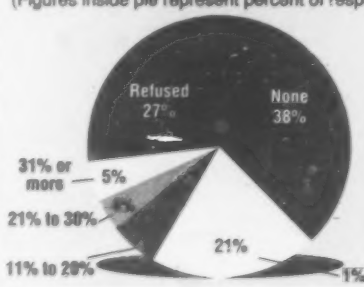
"It's not so much that the money disappeared, as much as it has been diverted to other places," says Irwin Gotlieb, senior VP-director of national broadcasting and programming, D'Arcy Masius Benton & Bowles, New York.

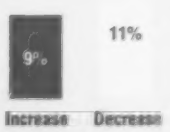
But others warn this season could be the first step in the demise of the upfront buying season, or at least some serious changes in the way it is conducted.

"It's pure insanity," says Ms. Urben. "It would be nice to think that someday this industry would figure it out so that it's not a night-and-day, kill-everybody scene." □

Syndication on the sideline during upfront

What percentage of your upfront spending will go toward syndicated TV? (Figures inside pie represent percent of respondents)

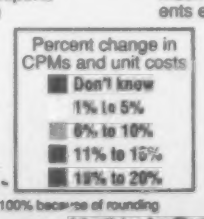




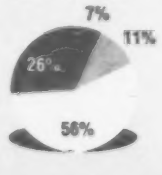
Does this percentage represent an increase or decrease from last year?

Do you expect an increase or decrease in CPMs and unit costs during upfront syndicated TV buying negotiations?

If you expect an increase, how much? (Percentage of respondents expecting increase)



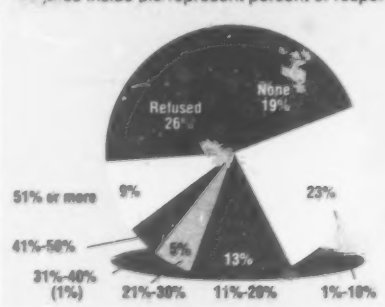
If you expect a decrease, how much? (Percentage of respondents expecting decrease)

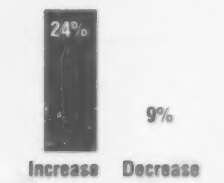


Note: Responses may not add to 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: John Smither

Cable increasingly wired into upfront season

What percentage of your upfront spending will go toward cable TV? (Figures inside pie represent percent of respondents)

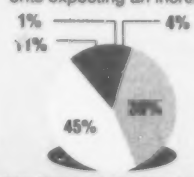


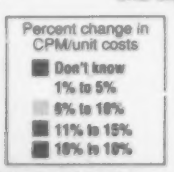


Does this percentage represent an increase or decrease from last year?

Do you expect an increase or decrease in CPMs and unit costs during upfront cable TV buying negotiations?

If you expect an increase, how much? (Percentage of respondents expecting an increase)





If you expect a decrease, how much? (Percentage of respondents expecting a decrease)

Note: Responses may not add to 100% because of rounding
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Cynthia Watson

BY THE BUY

Word has it that buyers will have the upper hand in the upcoming 1991-92 TV buying season.

So who are these buyers?

To put some perspective behind the mass of men and women taking their clients' dollars into the upfront selling season, Advertising Age *and* Electronic Media *profiled 12 buyers who purchase TV ad time—lots of it.*

We selected these media buyers from agencies that ranked among the top 10 in billings placed in each specific TV medium to guarantee a view of the business from the top.

Buyers were asked identical questions on the upcoming buying season and other TV-related issues, plus a little biographical information.

These 12 profiles—starting with the one below of Bill Croasdale, who just moved from Backer Spielvogel Bates, New York, to Western International Media, Los Angeles—appear throughout this section under the banner, "By the buy."

Alicia Lasek, a free-lance writer in Chicago, conducted the series of interviews.

Name: Bill Croasdale
Title, agency: exec VP-director of network and programming, Western International Media, Los Angeles
Years in current position: Just started
Years in media department: 31
How did you wind up buying TV? "I entertained these big hopes of being a copywriter but discovered that I could n't spell, so I moved into buying."

Bill Croasdale

What do you like most about buying TV? "The constant change. Nothing's static."
What do you like least about buying TV? "All of the changes."
If you weren't buying media, what would you rather be doing? "There is nothing else as exciting and challenging as this business. It keeps you young. You must be in constant touch with everything that's going on."
What do you expect for unit costs and CPMs in network TV? A possible decrease but no increase. "This is the year when the marketplace rights or adjusts itself. A lot is predicated on the fact that cable has arri as well as syndicated and unwired networks."
What do you expect for the upfront season? "Long hours and a lot of hot tempers. The networks are going to be looking for increases, and the advertising community will be looking for decreases."
Who's holding the cards? Buyers—"at this point."
Did you feel the same way about last year's upfront? No. "Last year, the networks ramrodded us into that [households using television and persons using television] factor. This year, we're going to turn it around."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? "There will be hard guarantees, similar to what Fox [Broadcasting Co.] did last year."
What's the most important issue for network TV? A need for creative shows, "whether it's 'Cop Rock' or 'Twin Peaks.' We keep reverting to the tried and true."
Which network is the one to watch this year? "All four of them are going to have to work hard. No one has an edge on anyone else."
What type of program is your personal favorite? The Playboy Channel
What shows do you try to stay home and watch? "I make it a point to catch every show on the networks several times in a season. It's one way to ensure that the writing and production quality is consistent. If [those things] slip, it sends the signal [the show may be in trouble]."
What shows do you regularly videotape? None. "I don't have an M.S. in electrical engineering."
What show do you wish hadn't been canceled? " 'Laugh In,' and 'All in the Family' in its heyday. But genres and programs pass."
What is your current favorite broadcast show? "Cheers": "It has outstanding writing and production."
Characterize the quality of the average network show: "Quality means different things to different people. It could mean high ratings, favorable reviews, shows that cover sensitive subjects."

—Alicia Lasek

Russ Boehm, Wichita, Kansas

He doesn't sip Pouilly-Fuissé.
He drinks beer from the bottle.

TNN: The Nashville Network represents a rare opportunity for mass marketers. That opportunity is a large, loyal audience who spends almost all their disposable income on American products and services.

They're not into fancy names or expensive frills. They buy sensibly, and they buy a lot. Everything from personal computers and washing machines to convenience foods and, of course, beer.

We're very happy with our viewers.

So are our advertisers. Especially the ones who know that Americans drink a lot more beer than they do French Burgundy.

TNN
THE NASHVILLE NETWORK.
The Heart of Country

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LET'S BE UPFRONT

Aaron Cohen, senior VP-director of national broadcast programming, N W Ayer, New York.

The good news war: The network news shows "as a result of the war are in as good a position as they ever were.

"[But] what I'm looking for in news shows . . . is lower prices and the Holy Grail.

Aaron Cohen

"We anticipate that the general softness will continue.

"Budgets for many advertisers will not be as large as they were last year.

"Therefore," he continues, "the total amount of money that will be spent initially will be less, which we are expecting will lead to no increase in prices or diminution of prices.

"I think every advertiser is going to try to hold until the last available moment to see whether there is an uptick in any indicator or their own sales.

"And in all probability, a number of advertisers are not going to be able to make very aggressive moves unless the full world economy begins to move.

"If you're on the network side, it's a grim market.

"If you're on the advertiser side, there's a chance to buy advertising values at more reasonable rates."

Playing the waiting game: "Advertisers will hold their cards.

"That's why there will be a pressure on the networks downward with initial monies because of people doing different things with the money they have available."

—Laurie Freeman

'More important than price'

While the novelty has clearly worn off, and scatter prices are devilishly attractive, multi-media deals inflame marketer interest

By Christine Bunish

The current softness in the scatter market is failing to stifle surprisingly attentive interest in multi-media deals.

"Though scatter prices might be more attractive, that doesn't overcome the strategic alliance you can form [in a multi-media package]," says Greg Lincoln, media director of Pillsbury Co. "That's more important than price."

According to a Bruskin Associates survey commissioned by *Advertising Age* and *Electronic Media*, 64% of respondents think packaging a TV buy with another purchase is very important or somewhat important.

"A soft market is giving impetus to media to find creative ways to do business," says Steve Levine, senior VP-executive media director at W.B. Doner & Co., Southfield, Mich. "There are fewer bucks to go around and more vehicles. Media will be letting their imaginations go and thinking of creative ways to position their products."

"It's not only a matter of economy, but of making dollars work harder," notes Pam Warren, senior VP-media director, Rubin Postaer & Associates, Los Angeles. "You want to get more impact out of the dollars you're spending today [compared with] last year or the year before."

The media recently have assembled packages they hope will satisfy customers.

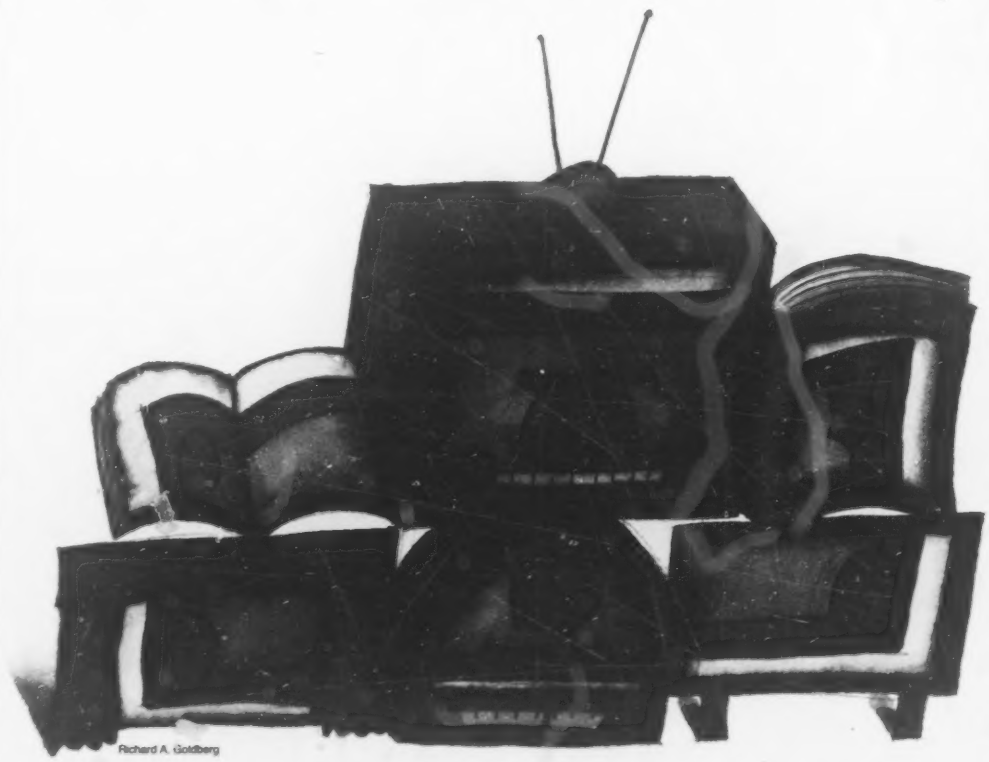
Intra-company opportunities offered by media giants such as Time Warner and Times Mirror Co. and new intercorporate links —such as those between Lifetime and *Redbook*, Consumer News & Business Channel and *U.S. News & World Report*, Financial News Network and *Business Week*, and Arts & Entertainment Network and several publications—signal a host of possibilities for advertisers.

Mary Ann Eger, VP-director of corporate advertising and marketing services for Citibank, says she's delighted companies are "bringing all their resources to bear in integrated marketing communications."

Multi-media deals can be "absolutely the right thing [for advertisers] to do as long as the media extensions you're going into are in harmony with the strategy and message of your campaign," she adds. "If everything is working to the same end, it can be extremely valuable."

But buyers have encountered scores of bargains in the current TV season's scatter market. These bargains have chilled some interest in multi-media deals as advertisers must choose between locking up a multi-media deal at a fixed price or gambling on being able to find similar scatter bargains in the future.

"If upfront is slow, it might unglue multi-media deals because of the fat buys available," says Jay Schoenfeld, exec VP-media director, Backer Spielvogel Bates, New York.



Richard A. Goldberg

"In an environment where you have tremendous efficiency opportunities, it will take something away from pursuing cross-media opportunities," says Mr. Levine.

In addition, as ad budgets tighten, buyers must choose whether or not to apportion sizable segments of their budgets to higher-ticket multi-media placements.

"One of the difficulties I see is committing to it," says David Verklin, senior VP-corporate media director, Hal Riney & Partners, San Francisco. "It requires a firm commitment or multi-year terms. That's difficult for clients who cry out for maximum flexibility."

"Generally, advertisers are leery of long-term business unless they're very special [opportunities], like the Olympics," says Mr. Schoenfeld. "But they'll tie up their money if the deal is that good."

He says assessing the cost of a multi-media deal is much harder than simply figuring the price of a TV buy.

There's difficulty in "identifying and pinpointing price in multi-media deals," Mr. Schoenfeld says.

"How do you cost them out?" he asks. "Some of it is unquantifiable. It's different from the black and white of scatter and upfront."

Still, to safeguard prospective cross-media purchases, some buyers are looking for compensation if multi-media buys underdeliver an audience.

"We'd expect to see [audience] guarantees," says Mr. Lincoln. "Whether TV time is bought independently or linked [to a cross-media deal], it doesn't change the idea of spending money and knowing what you get for it."

"You have to build flexibility into [multi-media] deals," says Roger Morrison, director of media and programs, Eastman Kodak Co. "Guarantees are a fact of life in this business; cancellation clauses are another aspect."

According to buyers, one way sellers can circumvent reduced ad budgets is to think small when offering media packages.

Multi-media deals are not "size-limited," says Mr. Morrison. "Just scale down the size of the deal."

"There are no limits to the opportunities. One shouldn't only think big or national," concurs Mr. Levine. "There's no reason why it can't work on a local or regional basis. We don't let dollars get in the way of our thinking."

He says Doner is exploring multi-media deals for several clients. "Not mega-deals but cross-media packages, nonetheless. Some are on a small scale, but they [offer] tremendous synergistic opportunities that will bring clients more bang for the buck."

Mr. Lincoln says getting mid-scale advertisers to enter multi-media deals is the key to these packages' long-term viability as a buying option.

"It's not going to become a mainstream idea and practice until the middle-of-the-road [moderate-budget] advertisers find a way to make it work," he says. "It could take 24 months to get to the next tier of advertisers, but a soft economy will expedite things."

Pillsbury has "30 brands to advertise in a given year, and we don't have $150 million to spend with one media company," Mr. Lincoln says.

Agencies emphasize their interest in multi-media deals does not stem from an eagerness to lock in big chunks of an advertiser's budget.

"It's not an opportunity for an agency to lock in spending or a commission. That would be terribly short-sighted," says Mr. Levine. "The buy isn't over when you sign the deal."

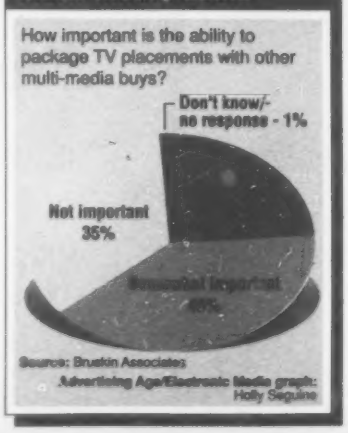
Buyers also add they won't jump at the first multi-media opportunity that crosses their desks.

While Mr. Verklin says Riney is "in the early stages of discussions with major media companies," he adds that "we're cautious about it. We don't see the need to be first."

"I think people will get caught up putting together packages and 25% [of them] may not be what you would normally recommend to the client," says Ms. Warren. "We don't compromise our media just because it's a deal." □

Christine Bunish is a Cedar Grove, N.J.-based free-lance writer.

Multi-interest for multi-media deals


How important is the ability to package TV placements with other multi-media buys?
Don't know/- no response - 1%
Not important 35%
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Holly Seguine

BY THE BUY: SYNDIE

Name: Lori Anderson
Title, agency: VP-associate broadcast director, Jordan, McGrath, Case & Taylor, New York
Years in current position: 2
Years in media department: 5
How did you wind up buying television? "We were a small agency and were doing a lot of planning and buying for our accounts. When we grew, we separated the two departments and I got a little bored with the planning and moved into buying. Planning became repetitive."
What do you like most about buying TV? "You can actually see the fruits of your labor. It's a little more dramatic than print in that way. Also, [with] the negotiating involved, it's more vital for the industry, and there's a chance for growth."
What do you like least about buying TV? "The same thing: negotiating. It's fun, but sometimes it can be a pain."
If you weren't buying media, what would you rather be doing? "Selling T-shirts on a beach in Bermuda."
What do you expect for unit costs and CPMs in syndicated TV? For CPMs, a decrease of 1% to 5%. "We don't use [unit costs] as a barometer."
What do you expect for the upfront season? It will be "reasonable. In the last few years, [ratings decreases] were not justifying the increases. This year I see people realistically looking at the marketplace."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? "No. Things were in a state of flux. The networks were very aggressive; they were forcing it on the advertisers. We're not going to deal with that this year."
Is the television audience measurement issue going to be hot or cold? "Cold. It's not an issue."
Is the audience guarantee issue going to be hot or cold? "Cold. We're going back to the traditional ways."

Lori Anderson

What's the most important issue for syndicated TV? "Tiering. Last year, a lot of stations were clearing programs—they were not committed to time periods and that affected the ratings. Advertisers couldn't guess the ratings. This year I'm hearing [from station general managers] they won't be doing that."
Which syndicator do you feel is the one to watch this year? Warner Bros.: "They have new properties that can help change the marketplace if they're successful."
What type of program is your personal favorite? "A good comedy"
What shows do you stay home to watch? "Get a Life," "In Living Color" and "Roseanne"
What shows do you regularly videotape? None
What show do you wish hadn't been canceled? "A Year in the Life" and "St. Elsewhere"
What is your current favorite syndicated show? "Jeopardy!"
How would you characterize the quality of the average syndicated show? "Just as good as the average network show. The production quality has improved. There's not as many of the name-brand people, but I think they compete qualitatively with network shows."

—*Alicia Lasek*

Richard A. Goldberg

Crash course in buying time

Though GM's first buy sent foes scurrying, the soft scatter market now has them cooing

By Raymond Serafin

When General Motors Corp. powered its way into several large TV ad deals with CBS and NBC, observers wondered if these packages would send GM's competitors scrambling to offset the automaker's mega-budget buying clout.

Evidently, they haven't.

Fears that multi-year, big-bucks ad deals by big-spending auto marketers would shut out smaller automotive players have proved to be unfounded, at least so far.

Given the current TV economy, some now are questioning whether GM should be scrambling.

The soft TV sales market, with its plentiful, favorably priced scatter broadcast deals, has made it easier for smaller auto marketers to buy many prime-time and sports properties, biting into GM's advantage of having engineered long-term, exclusive TV deals.

"The [media] marketplace is softer now than it has been for a few years," says Jack Collins, ad manager for Nissan Motor Corp. USA's Infiniti division. "Not being committed [to long-term deals] is perhaps a good position to be in."

"To the degree that everyone but GM and Toyota [Motor Sales USA] are locked out of baseball [on CBS], it's a problem. But there are more than enough other sports available, and interest in sports [by advertisers] is declining anyway," says Tom Healey, director of media and advertising services for automotive marketing consultancy J.D. Power & Associates.

Last year, auto marketers spent almost $1.8 billion on network TV, according to LNA/Arbitron Multi-Media Service.

GM has been a part of more blockbuster media deals than any other marketer. That's a reflection of both the No. 1 automaker's $1 billion media budget and also the widely known desire of Philip Guarascio, GM's executive director of advertising and marketing programs, to leverage big budgets into media spending clout.

Other automakers worried GM could shut them out when the Big 3 TV networks gave GM such a dominant media position, says Mr. Healey.

But an explosion of media choices, the expansion of the number of automotive marketers and the proliferation of niche strategies make this possibility seem less likely now.

GM's divisions all rely significantly on reaching large sales volumes for core vehicles. Accordingly, to maintain its 35% share of the market, GM's media strategy hinges on reaching a large cross-section of potential car buyers.

But other auto marketers can prosper by generating a smaller sales volume, leading them to media strategies that don't clash with GM's moves.

For instance, Nissan's Infiniti division uses network TV only for a new-product launch, such as the fourth-quarter 1990 debut of the G20, says Mr. Collins.

Its primary TV medium is spot TV in the 42 markets where Infiniti dealers currently are operating. These markets constitute about 60% of the U.S. population.

"Our costs for the purchase of all spot media, TV and radio, have been lower than anticipated," says Mr. Collins, who adds that Infiniti has put those excess funds into buying more media.

Some buyers think the media are simply looking to hook other mammoth GM-size deals.

"I think a lot of the initiatives in the mega-deals are driven just by being big," says Robert Mancini, senior VP-director of media services for J. Walter Thompson USA, Detroit, Ford Motor Co.'s Ford division agency.

"Effectiveness is coming up with a relevant idea that's driven by the marketing objective of a client and then developing a program around that," he says.

A Ford spokesman acknowledges the company is negotiating with Time Warner for a possible cross-media deal, but Ford overall hasn't been aggressive in pursuing such deals.

"We're a little bit more measured in terms of doing these types of things because we're sensitive to flexibility and we're sensitive to working from an objective," Mr. Mancini says.

Mr. Guarascio brushes off any implied criticism of the deals he's helped craft for GM.

"Believe me, we are not getting involved in deals that require us to buy things we don't want to keep. The people who are critical of the deals from that standpoint are leveling criticism based on no hard knowledge," Mr. Guarascio says.

"The mega-deals we're making provide a level of flexibility that represents progress and enhancement," he says.

Mr. Guarascio says he's pleased all of the networks have become more "innovative and imaginative" in structuring proposals. "In a lot of [previous] cases, I felt we had to take the lead there, and I'm delighted to have someone come to us with an idea."

One thing on which auto marketers agree is that it's harder to reach prospects.

Even as GM leads the way in mega-deals, it's also trying out ways of reaching highly targeted audiences. It's one of six national advertisers taking part in Turner Broadcasting System's upcoming test of Airport Channel, aimed at viewers waiting at airline departure gates. And GM is the first title sponsor of the U.S. Armed Forces Sports Championships, which is expected to have strong penetration into the military community.

While some mass purchases will continue to thrive, Mr. Mancini says the overall trend will favor niche media that can deliver target groups.

"People are spending more time with the media relevant to their particular lifestyles, and the key in marketing will be to focus on the lifestyles of the people most likely to buy your product," he says.

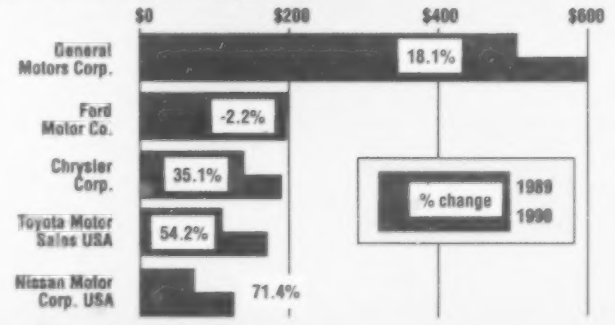
In fact, Mr. Mancini believes mega-deals won't play a significant role during the rest of the 1990s. Flexibility and selectivity will increasingly drive media strategies during the decade, and mega-deals are usually too broad-based to achieve those goals, he says.

"Clients are going to want to change with the changing conditions in the marketplace," says Mr. Mancini, pointing to NBC's decline in prime-time ratings during the 1990-91 season. "That's a major change in the marketplace, and you need flexibility to move with that."

His conclusion: The mega-deals trend "will be short-lived." □

GM drives auto spending . . .

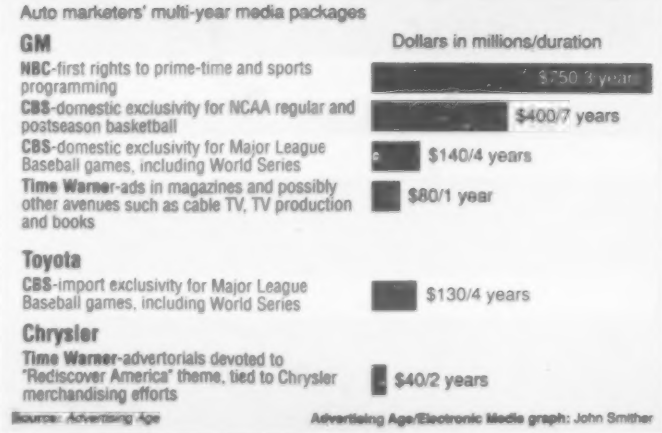
Top auto marketers' network TV ad expenditures, dollars in millions, and % change



Source: LNA/Arbitron Multi-Media Service

. . . and multi-year media packages

Auto marketers' multi-year media packages


GM
Dollars in millions/duration
NBC-first rights to prime-time and sports programming
$750/3 years
CBS-domestic exclusivity for NCAA regular and postseason basketball
$400/7 years
CBS-domestic exclusivity for Major League Baseball games, including World Series
$140/4 years
Time Warner-ads in magazines and possibly other avenues such as cable TV, TV production and books
$80/1 year
Toyota
CBS-import exclusivity for Major League Baseball games, including World Series
$130/4 years
Chrysler
Time Warner-advertorials devoted to "Rediscover America" theme, tied to Chrysler merchandising efforts
$40/2 years

Source: Advertising Age

Advertising Age/Electronic Media graph: John Smither

BY THE BUY: SPOT

Name: Nanci Gray Schwartz
Title, agency: VP-media buying, broadcast negotiator, J. Walter Thompson USA, New York
Years in current position: 13
Years in media department: 20
How did you wind up buying TV? "I started in billing and it was a natural thing to evolve into. At the time, it was a very good opportunity for a woman."
What do you like most about buying TV? "It's challenging, especially today. It's hard, because there's never the same formula, it's constantly changing."
What do you like least about buying TV? "The drudge side: bills, checking contracts."
If you weren't buying media, what would you rather be doing? "I'd go to law school and become a lawyer. And I adore animals. I'd like to own a grooming shop."
What do you expect for unit costs and CPMs in spot TV? No change. "Everything is spread thinner; it's more complicated. Costs are down, so they should be lower, but you're not getting much of a rating, so it evens out."

N. Gray Schwartz

What do you expect for the upfront season? It'll be "quiet. I can't envision anything that's going to make a difference. There's no new [ad] category. A few years back, jeans came in heavy and were filling up the air. I don't see anything that's going to make a difference now."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? Yes
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? Cold
What's the most important issue for spot TV? "Costs. I don't know the answer. It needs less costly programming but better ratings. It's a terrible problem. It needs constant new programming, but costs are so high they can't maintain the prices they need to support it. Summer ratings drop to the floor, and it's worse now, because cable and VCRs are so strong. To add further to this problem, innovative, highly rated programming is on the hit list of many clients so the buyer can't include these shows as a part of the mix, even if they are cost-effective. But I just don't know what they can do [about this]."
Which local station do you feel is the one to watch this year? "In New York, WABC is dominant, but WCBS seems to be getting stronger in this market."
What type of program is your favorite? News and sports: "I love football."
What shows do you try to stay home and watch? "Jeopardy!"
What show do you regularly videotape? None
What show do you wish hadn't been canceled? None. "I'm a bridge player, so I'm always running off to play bridge."
What is your favorite broadcast show this season? "The Simpsons": "It's very clever." Also, "60 Minutes" and "Murder, She Wrote."
Characterize the quality of the average local TV program: "Pretty good [in New York] compared with elsewhere."

—*Alicia Lasek*

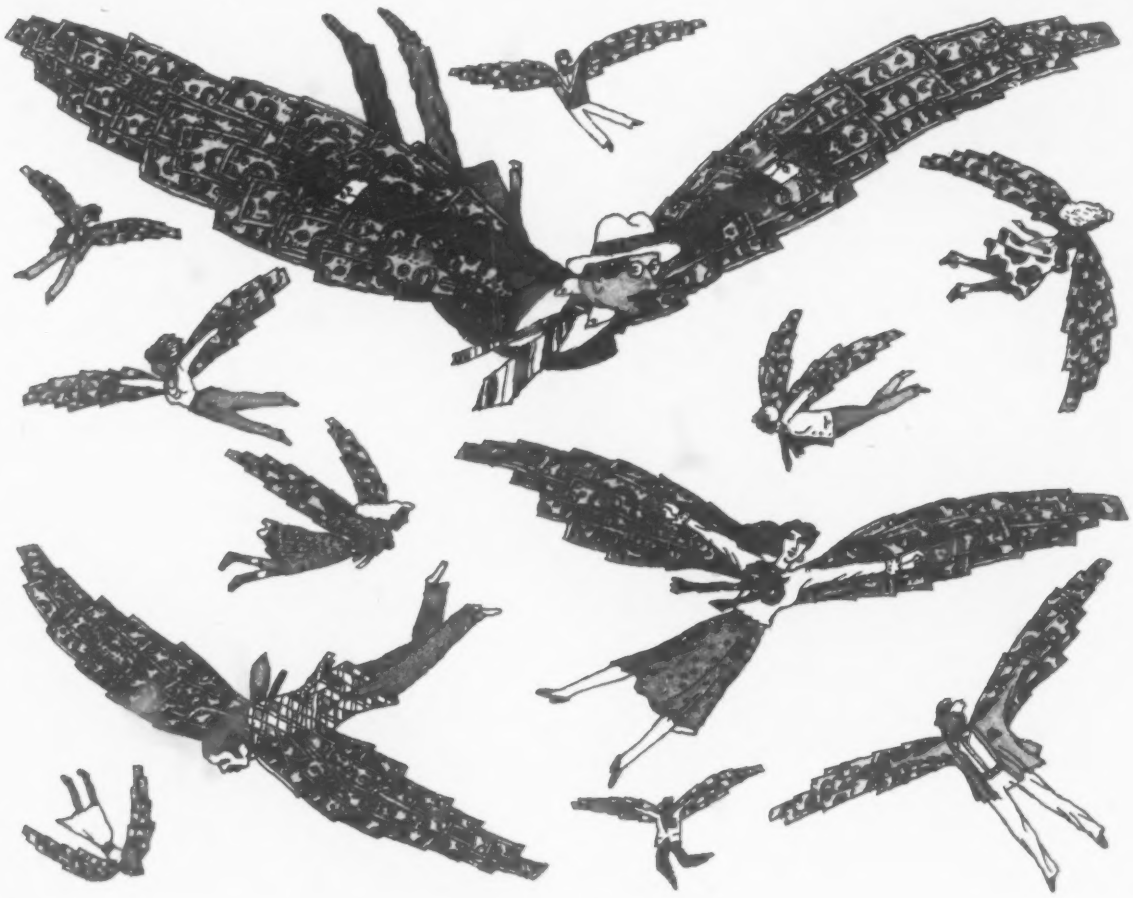
BY THE BUY: NETWORK

Name: Jon Mandel
Title, agency: senior VP-director of national broadcast, Grey Advertising, New York
Years in current position: 14
Years in media department: 16
How did you wind up buying TV? "I was in media planning at Grey and had a major fight with an account person. I went to my boss and said, 'My first fist fight was in [grade school], with Robby Powers over Monica Freid, and I'm about to have my second one. Could you find something else for me to do?' And she did."
What do you like most about buying TV? "The people in the business. Not just the people who work with me but the people at the networks, the cable networks and even my competitors. I don't think there's another business with such a high percentage of good people and a low percentage of schmucks."
What do you like least about buying TV? "If you do the job right, you're running on the edge of doing it wrong. Getting clients the best conceivable deal is a juggling act. If we make a mistake here, you're talking about a $100,000 mistake. If you make a mistake in non-broadcast media, it isn't as large and you have a lot more time to fix it. That's the edge. To do the job right, you have to go right to the precipice. You consume a lot of Maalox on this job."

Jon Mandel

If you weren't buying media, what would you rather be doing? "Something completely different. I still don't know what. That's why I'm still buying media."
What do you expect for unit costs and CPMs in network TV? "There will be decreases, and not just in network."
What do you expect for the upfront season? "To relax, I go out on my boat and catch bluefish. If the networks make my boat sit in the slip all summer, my cost-per-pound of fish is going to go up to the supermarket price. If the networks are realistic, the cost-per-pound of fish I catch will go down. . . . The year I bought my summer house was the year this [upfront buying] business went into the summer. If the networks are realistic [with prices in negotiations], I can enjoy [my summer]. If not, I'll have to take up snow skiing."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? No. "Last year it was about even between buyers and sellers. But there's no such thing as a 'must-buy' any more."
Is the TV audience measurement issue going to be hot or cold? "Cold—and it should be."
Is the audience guarantee issue going to be hot or cold? "I don't consider it an issue and never did consider it an issue."
What's the most important issue for network TV? "The networks for too long have been taking in money and not making [buyers] aware of their values. They have excellent price-per-value relationships. Because of short staffing they haven't been able to get this message out to the junior planning people and the clients."
Which network is the one to watch this year? "For the first time since TV was in black and white, you can't pick just one to watch. It's a wonderful situation for advertisers, buyers and the viewing public. There really are four viable, interesting networks."
What type of program is your personal favorite? "I'm a TV slut. I watch it all, although I wish my wife would quit watching 'Murder, She Wrote.' "
What show do you try to stay home and watch? The local news on WNYW, New York. "I don't see any of my commercials. It's the only time I can watch and relax."
What show do you regularly videotape? "I'm one of those few people who doesn't have to deal with a videocassette machine. If I want to see something, I can just call my salesman."
What show do you wish hadn't been canceled? " 'China Beach,' before it went downhill."
What is your current favorite network TV show? "Get a Life"
Characterize the quality of the average network TV show: "On syndication, network and cable, there are a lot of very good shows and a few very excellent shows, but more horrible shows. It's a function of the sheer number of hours [of programming to fill]. It's easy to say something's terrible because you get lost in the forest. Unfortunately, because of the number of hours, you don't see the trees for the forest."

—Alicia Lasek



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LET'S BE UPFRONT

Linda Urben, corporate manager-broadcast media, AT&T Co.

Being skeptical upfront: "We're looking for things that will attract the upwardly mobile male audience because they're big decision makers in our business. So things like late-night TV work for us.

Linda Urben

"But we go into the upfront with a conviction that there is nothing we absolutely have to have. We look at everything from a zero base: What can it do for us to meet our objectives?

"Diversity seems to be the name of the game to hedge against what might continue to be a soft market. There are all kinds of different shows in the works: Reality shows seem to be popular, comedies about sisters and mothers . . . and deep lists of movies."

Scatter on the rise: "The industry is probably going to be more conservative in this upfront market because some folks were burned in the '90-91 upfront.

"Scatter might be used a little more next year, as folks get budgets back. But there have been budget cuts, there is a recession and folks are looking to get more bang for the buck [and] diversifying their use of advertising and promotion dollars.

"The prime-time TV folks are going to have to work harder to get their piece of the pie, and their programming will have to be eye-catching."

—Laurie Freeman

BY THE BUY: SYNDIE

Name: Douglas Seay
Title, agency: senior VP-national broadcast, Hal Riney & Partners, San Francisco
Years in current position: 3
Years in media department: 15
How did you wind up buying TV? "I was a news writer and reporter who saw that the only way to make money in television was in front of the camera or on the buying side."
What do you like most about buying TV? "Television changes all the time. I [started buying for Ogilvy & Mather] in 1977-78, so I've only known declining network shares."

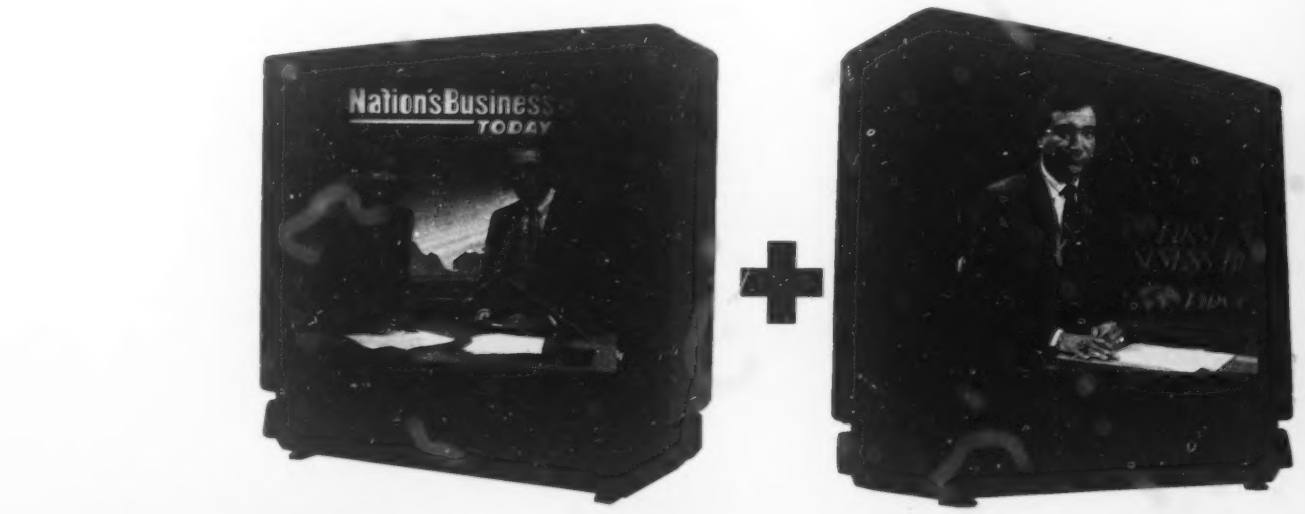
Douglas Seay

What do you like least about buying TV? "I don't like it when it gets big and bureaucratic. When I worked at Ogilvy & Mather I was a workhorse buyer. It was huge money [accounts], but with small accounts your input is better appreciated. And often, [buying] is more creative in small accounts. I want to be respected by the [client's] salespeople. My report card comes from my clients."
If you weren't buying media, what would you rather be doing? "I'd rather be a bond trader. It's not much different."
What do you expect for unit costs and CPMs in syndicated TV? Both will hold steady or decrease. "I'm not sure anyone knows what the real answer is. If buying TV is like investing, I'd rather convert to all cash and wait and see what happens. I wouldn't invest in anything right now."
What do you expect for the upfront season? It'll be "volatile and unpredictable. The war is over, but no one knows what the implications are. Interest rates are down and the feds are holding off. There's no secret formula."
Who's holding the cards? Buyers, with the exception of children's programming.
Did you feel the same way about last year's upfront? No. "The sellers were stronger last year. You know how markets are supposed to work on supply and demand? They say, 'Because demand is off, pricing should be flat.' But, in fact, if demand is off, pricing should be lower. They just won't say the words. It would be heresy to their managers. They'll probably say it's 'negative increases.' "
Is the TV audience measurement issue going to be hot or cold? "Cold. While the networks are jostling numbers, buyers are hedging their bets prior to the outcome."
Is the audience guarantee issue going to be hot or cold? "Hot. Everyone wants a guarantee. It may not be fair, but if they're going to offer it, I'm going to take advantage of it."
What's the most important issue for syndicated TV? "Accountability: ease of paper work [and] an easy system of [determining] what exactly ran."
Which syndicator is the one to watch this year? Television Program Enterprises: "They're always an interesting one because they're mainstream. They're a good barometer for the industry."
What type of program is your personal favorite? Dramas
What show do you stay home to watch? "Law & Order": "It's the best produced, acted and directed show on TV now."
What show do you regularly videotape? " 'Entertainment Tonight,' like people videotape the news."
What show do you wish hadn't been canceled? "Alien Nation"
What is your current favorite show in syndication? "Star Trek: The Next Generation"
Characterize the quality of the average syndicated show: "Too broad-based," in that syndicators are trying to please too many people at once. "The top end is as good as any, but it quickly drops [and becomes] crummy."

—*Alicia Lasek*

BY THE BUY: NETWORK

Name: Willard G. "Bill" Hadlock
Title, agency: exec VP-media services division, Leo Burnett Co., Chicago
Years in current position: 4
Years in media department: 25
What do you like most about buying TV? "I've never thought about it. All media is a challenge. Unlike print, [in TV] there's an incredible cost to the media for each additional commercial. In print, the cost of adding additional pages is almost zero."
What do you like least about buying TV? "It tends to all get done at one



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time, very rapidly, which is damaging to both buyer and seller.

"The buyer ends up being rushed, and the seller loses control of his inventory. If it was more protracted, it would be better for everybody."

If you weren't buying media, what would you rather be doing? "I'm happy working at the agency. I'm not looking for another job."

What do you expect for unit costs and CPMs in network TV? CPMs and prices will decrease, "but I'm not willing to put a percentage on it. It's a soft year for the economy."

What do you expect for the upfront season? "A good year [because of] the soft economy. Prices will go down. It's bad for the media but good for the advertiser."

Who's holding the cards? Buyers

Did you feel the same way about last year's upfront? "More so now than last year. The economy's down; there's more time than money."

Is the TV audience measurement issue going to be hot or cold? "Hot. It's a real issue, and it will continue to be so for several years. The networks don't feel Nielsen is doing a good job, and it will continue to be a problem."

Is the audience guarantee issue going to be hot or cold? "Cold. It's not an issue."

What's the most important issue for network TV? "Declining ratings and the quality of programming."

What type of program is your personal favorite? Sports

What shows do you try to stay home and watch? Sports

What shows do you regularly videotape? None

What show do you wish hadn't been cancelled? "I'm not much of a prime-time viewer."

Willard Hadlock

What is your current favorite broadcast show? "Nightline"

Characterize the quality of the average network show: "About the same as it's been for 15 years, maybe a little better."

—Alicia Lasek

LET'S BE UPFRONT

Bob Springer, senior director-advertising services, RJR Nabisco

Daytime dilemma: The upfront market for the daytime TV slot is "another strange one; there's no such thing as business-as-usual.

"I don't see any reason why it's not going to be a soft market.

Bob Springer

"It's really hard for an agency to keep a client if they invest in upfront and then find it selling significantly cheaper in the scatter marketplace. That's just not smart.

"The networks I'm sure will try something to artificially inflate the market, throw up some kind of a smoke screen, which I think they're prone to do. Last year they seized on the lower [persons using television] levels in February to kind of obscure the negotiating process. We're certainly waiting to see what that issue will be this year.

"[But] I think the networks are looking at a situation where a lot of advertisers will hold back their money for scatter unless the networks come to them with some deals that they're willing to gamble on to be upfront.

"If a network came to us with a good CPM change—and in some cases that would have to be a good decrease—then we might be inclined to commit heavily upfront.

"If the networks come out bullish as they do looking for CPM increases or even the same CPMs in some dayparts, we'd be inclined to hold a significant portion of our money for scatter."

CPM tumble: Large CPM hikes in daytime "would be ludicrous given the marketplace and the economy. This is not the year for CPM increases.

"Daytime holds up. It's stable, so I don't really anticipate any exorbitant CPM increases, but there probably will be some on the plus side, [in the] single digits."

Scatter scarcity: "There's not a lot to buy in scatter for daytime; you have to get it upfront if you want the quality time." The overall economy will prevent the networks from boosting prices in light of steady upfront demand, he says.

—Laurie Freeman

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Buyers' fave raves

Which syndicator has the greatest growth potential? (Percentage of respondents selecting each syndicator; top three responses)

1. King World Productions	6%
2. Premier Ad Sales	5
3. Buena Vista Television	4

Which cable network has the greatest growth potential? (Percentage of respondents selecting each network; top four responses)

1. CNN	53%
2. TNT	22
3. ESPN	13
4. USA Network	12

Which broadcast TV network has the greatest growth potential (percentage of survey respondents selecting each network) and 1990-91 TV season prime-time rating (and ranking)?

	Respondent Score	Rating	(Ranking)
1. Fox	33%	6.4	(4)
2. ABC	25	12.5	(2)
3. CBS	21	12.3	(3)
4. NBC	7	12.7	(1)
Don't know	15		

Note: Columns may not add to 100% due to multiple responses
Source: Bruskin Associates
Advertising Age/Electronic Media chart: Kimberly Mart

Top of the charts

Survey respondents' favorite TV programs. (Percentage of respondents selecting show as one of three favorite TV programs, 1990-91 TV season Nielsen Media Research rating and ranking among competing shows in its daypart)

Top dramas	Respondent score	Nielsen Rating	Ranking
1. "L.A. Law" (NBC)	27%	14.7	24
2. "thirtysomething" (ABC)	10	10.7	64
3. "Law & Order" (NBC)	5	12.1	49
4. "PBS Mystery" (PBS)	4	2.5	NR
5. "Equal Justice" (ABC)	3	8.9	82
"Star Trek-The Next Generation" (syn.)	3	10.9	NR
"Twin Peaks" (ABC)	3	7.2	103
8. "Masterpiece Theatre" (PBS)	2	1.9	NR
"Trials of Rosie O'Neill" (CBS)	2	11.1	61
"WIOU" (CBS)	2	8.9	82

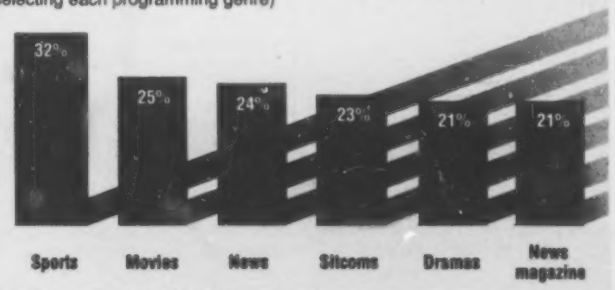
Top sitcoms	Respondent score	Nielsen Rating	Ranking
1. "Cheers" (NBC)	26%	21.5	1
2. "Murphy Brown" (CBS)	19	13.9	9
3. "Designing Women" (CBS)	7	13.7	10
4. "Coach" (ABC)	5	15.5	18
"The Simpsons" (Fox)	5	13.6	33
6. "Married...With Children" (Fox)	4	11.9	51
"Night Court" (NBC)	4	11.4	56
8. "The Golden Girls" (NBC)	3	16.6	12
"In Living Color" (Fox)	3	10.3	66
"The Wonder Years" (ABC)	3	14.1	29
11. "The Cosby Show" (NBC)	2	17.2	5
"M*A*S*H" (syn.)	2	5.3	NR
"Wings" (NBC)	2	12.4	48

Top news programs	Respondent score	Nielsen Rating	Ranking
1. "60 Minutes" (CBS)	19%	20.6	2
2. "20/20" (ABC)	6	13.5	34
3. CNN	4	1.5*	NR
"MacNeil/Lehrer News Hour" (PBS)	4	1.6	NR
5. "ABC World News Tonight"	3	11.5	1***
"Nightline" (ABC)	3	5.7	NR
7. "Primetime Live" (ABC)	2	9.7	67
8. "Crossfire" (CNN)	1	2.1**	NR
"NBC Nightly News"	1	9.8	2***
"This Week With David Brinkley" (ABC)	1	3.9	NR
"The Today Show" (NBC)	1	3.8	NR

* 24-hour rating of cable-equipped households; ** Rating of cable-equipped households; ***Rank among Big 3 broadcast network evening news shows
Sources: Bruskin Associates for *Advertising Age* and *Electronic Media*; Nielsen Media Research; Nielsen Syndication Service-Cassandra Ranking Report, February 1991; CNN; PBS.

The sporting life

Buyers' personal favorite programming types. (Percentage of respondents selecting each programming genre)



Note: Column may not add to100% because of multiple responses
Source: Bruskin Associates
Advertising Age/Electronic Media chart: Kimberly Mart

'Nothing to watch'

'Nobody waiting in line' for many shows; buyers urge nets to revamp profane lineup

By Jon Krampner

Media buyers and marketing executives are just like the general public: They're all prone to scream, "There's nothing good on TV!"

According to a Bruskin Associates survey commissioned by *Advertising Age* and *Electronic Media*, buyers and advertisers generally are unimpressed by today's TV shows.

The survey found 64% of respondents feel overall TV programming quality is fair, and another 8% describe it as poor. Only 27% think it's good, and not a single respondent characterizes it as excellent.

Respondents also say program quality is the issue TV media executives should address first.

A total of 43% of respondents cite quality as the priority issue, placing it far ahead of the 23% mentioning ad costs and the 21% saying ad clutter. Audience measurement, the barnburner issue of last year's TV season, is cited by only 13% of respondents as the top issue.

Like the viewing public, buyers express continuing concern over language and promiscuity in TV shows.

Although only 23% of survey respondents feel there was more violence on TV in the 1990-91 season than in the previous season, 52% feel there was more sex and profanity in programming, voicing particular concern over language on shows.

"A little girl saying something off-color to her father is not family viewing," says Una Barden, senior VP-associate media director, national television buying, BBDO Worldwide, New York. "Our clients don't want a negative against their company."

There were several cases "where the networks suffered because advertisers did not want to appear in some of these shows," says Betsy Frank, senior VP-director of television information and new media, Saatchi & Saatchi Advertising, New York.

In fact, according to the *Advertising Age/Electronic Media* survey, 66% of respondents say they avoid buying shows considered too sexual or profane.

This observation, coupled with the weak ad market, meant "there was nobody waiting in line to go into [these shows]," Ms. Frank says.

Although Ms. Frank says TV profanity and sex have increased in general, the canceled Fox Broadcasting Co. show "DEA" was the most constant offender. Programming executives at the Big 3 and Fox were unavailable for comment.

Although the networks feel the heat about gratuitous sex, violence and profanity, cable and syndication sometimes can be worse offenders, says Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles. USA Network and Turner Network Television have "good-quality shows but they have racy subject matter," he says.

> "A little girl saying something off-color to her father is not family viewing."

Although Greg Moyer, senior VP-programming group at The Discovery Channel, disputes this observation about cable, he applauds advertisers' concerns over program content.

"I think advertisers are telling programmers that it's no longer a laissez-faire system, that we are responsible to know what our shows are about and the messages they send out," he says. "I welcome that new sense of social responsibility."

While buyers and marketers generally agree deficiencies in TV programming need to be addressed, they have a range of recommendations on how to correct the shortcomings.

Mr. Bachrach realizes it's difficult to create shows that both appeal to viewers and won't cause concern among some advertisers.

"If you make programming more congenial [to advertisers], it becomes pap and uninteresting and no one watches it," he says. "On the other hand, when networks address issues and subject matters that the pressure groups don't like, there are good ratings and people tend to tune in, but the advertisers bail out."

The happy medium, Mr. Bachrach says, is for programmers to tackle controversial social issues, but without injecting unnecessary sex or violence.

" 'Doogie Howser, M.D.' had a wonderful show about AIDS," he says. " 'A Different World' also talked about AIDS in a very educational and enlightening way. It was well-produced, got the point across and wasn't offensive. Advertisers should be proud to be in shows like that." Mr. Bachrach placed spots for Rubin Postaer client American Honda Motor Co. on the "A Different World" episode.

Ms. Frank says programmers could start by fixating less on the funny bone.

"The networks are all at least giving lip service to the need for more diversity of programming," she says.

According to the *Advertising Age/Electronic Media* survey, sitcoms rank No. 4 on a list of 10 programming types respondents say they prefer. With 23% of respondents saying they prefer sitcoms, the genre finished behind sports with 32%, movies with 25% and news programs with 24%. Sitcoms did finish ahead of their primary prime-time competitor dramas, which 21% of respondents say they prefer.

Some buyers suggested programmers put more emphasis on developing new programming

Buyers pilot course for fall hot spots

Feel lucky? Try playing the lottery. Or try picking next TV season's hits, given only hints out of network program development meetings.

Here are the pilots several media buyers feel have the potential to distinguish themselves this upcoming TV season. Since these picks were made only from snippets given at development meetings in March, the buyers below emphasize they wouldn't bet next month's rent or mortgage on their choices.

Charles Bachrach, senior VP-director of network and programming, Rubin Postaer & Associates, Los Angeles

"Esme's Little Nap," a CBS sitcom starring Debbie Reynolds, whose daughter Carrie Fisher is co-executive producer.

"Carrie Fisher is so off-the-wall. If you watched the movie 'Postcards From the Edge' or read her book, you know she has a delightful and insightful way of writing."

"The Brave New World of Charlie Hoover," a Fox sitcom starring Tim Matheson, with Sam Kinison as his 6-inch-tall alter ego.

"Tim Matheson's an average kind of guy, and here's Sam. If Sam were his normal height and weight, I think you'd be put off by it. But he's like the bad angel on the shoulder.

"He can be even funnier in a 6-inch size, and you can put up with him."

"The Adventures of Mark and Brian," an NBC comedy featuring two Los Angeles disc jockeys, Mark Thompson and Brian Phelps.

"I have the feeling that Mark and Brian are strange enough that they may cross over."

Lou Bullock, program services manager, BBDO Worldwide, New York

"Lakota Moon," a Fox drama focusing on the Sioux Indians in the Old West.

"It's a period of history that people are fascinated with, but it's taken from the Indians' point of view. It's a socially conscious show that may try to change people's opinions about how the Indians were treated."

Animated shows such as "Capital Critters" (ABC), "Fish Police" (CBS) and "Wayneheads" (Fox).

Mr. Bullock thinks these have potential but cautions, "Given the problems [Fox] had just getting 'The Simpsons' on the air, will [the networks] be able to put out a quality product and sustain

concepts and producing higher-quality shows?

"What we want is for the networks . . . to get reputable production companies on board—the [producer Steven] Bochcos of the world, the Jim Burrowses—and have them do pilots," Ms. Barden says.

Ms. Frank also suggests networks institute a more formal second season.

"Now the networks introduce all the shows during the same two weeks of the year," she says. TV viewers are bombarded with so many new shows in a short period it makes it difficult for a show to attract and develop an audience, Ms. Frank says.

By introducing fewer new shows in the fall and breaking more in the second season, "viewers would not be quite as confused by so many new shows being thrown up in front of them."

One buyer suggests the networks refrain from prematurely axing critically acclaimed but slow-building shows.

"They should stay with the good shows a bit longer and give them more than a six-week or seven-week trial, even if they have low ratings," says Don Cole, senior VP-media director, W.B. Doner & Co., Baltimore.

He says eventual hits "Hill Street Blues" and "St. Elsewhere" initially pulled low ratings. Although he says it's not as good as "Hill Street Blues," Mr. Cole says ABC's "Eddie Dodd" may get bounced before it should.

Whether programmers find the elusive ingredients that will bring them high ratings and ad sales remains to be seen, especially given the public's unpredictable viewing behavior.

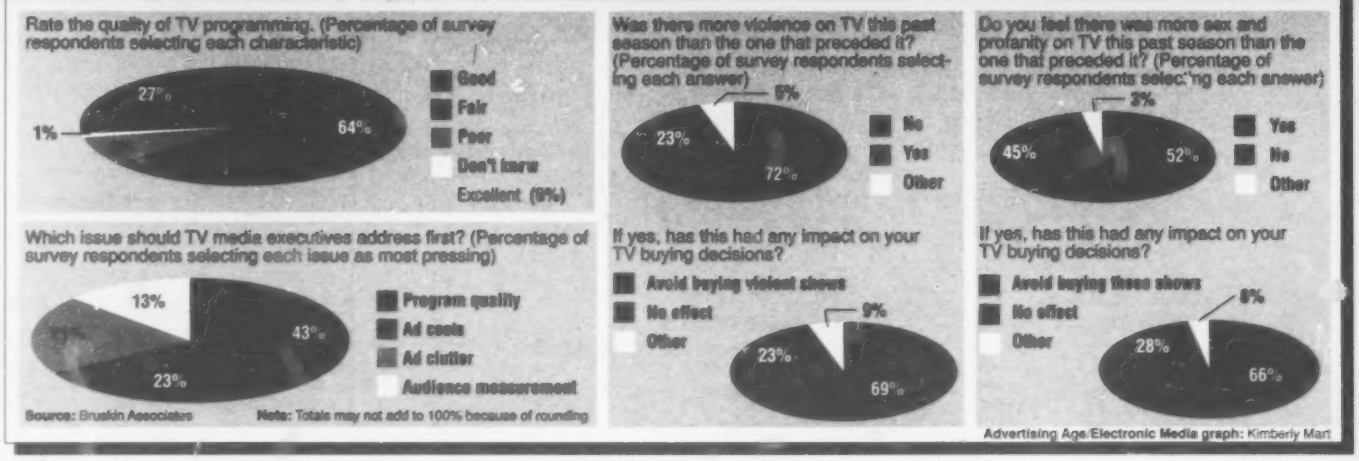
"We thought [last year's schedule] looked aggressive, that it was a schedule designed to lure some of those fickle viewers back to network television. But there were no hits," says Ms. Frank.

But, she notes, the networks' offerings for next season appear to be more in tune with cultivating their core audiences.

In the just-completed season, "CBS seemed to be focusing on getting younger audiences through shows like 'Uncle Buck,' but now they're focusing more on mature female audiences," Ms. Frank says. "The networks have done more to pinpoint on their strengths." □

Jon Krampner is a free-lance writer based in Los Angeles.

Program responses: Thumbs down on quality



Advertising Age/Electronic Media graph: Kimberly Mart

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Source: A.C. Nielsen, June 1990; Sales & Marketing Management 1990 Survey of Buying Power

it? Will they have enough lead time to pull it off?"

Betsy Frank, senior VP-director of television information and new media, Saatchi & Saatchi Advertising, New York

"Esme's Little Nap."

"It has a proven star in Debbie Reynolds, who plays an off-base kind of heroine. It could catch on; CBS has proven itself adept at these female-oriented, sophisticated comedies."

"Grey Guns," a CBS drama starring Wilford Brimley and Richard Farnsworth as policemen in a Rocky Mountain resort town.

"There's terrific chemistry between those two. The contrast between the yuppie town and the old lawmen will be interesting."

"Man of the People," an NBC drama starring James Garner as a con man turned city councilman.

"James Garner is a recognized star. It was smart to sign him up."

—Jon Krampner

Television's top shoppers

Top billing network TV agencies, millions of dollars

	Network TV billings			1990 total	Network TV billings as % of
	1990	1989	% chg	billings	1990 total
1. Leo Burnett Co.	$894.0	$855.1	4.6%	$2,035.2	43.9%
2. Saatchi & Saatchi Advertising Worldwide	858.2	803.3	6.8	1,860.9	46.1
3. D'Arcy Masius Benton & Bowles	731.1	645.9	13.2	1,978.2	37.0
4. Grey Advertising	634.5	532.9	19.1	1,710.0	37.1
5. Young & Rubicam	564.9	540.9	4.4	2,112.3	26.7
6. Backer Spielvogel Bates	532.8	602.4	-11.6	1,136.0	46.9
7. J. Walter Thompson Co.	523.6	495.9	5.6	1,787.4	29.3
8. BBDO Worldwide	514.1	454.3	13.2	1,320.1	38.9
9. Ogilvy & Mather Worldwide	504.9	512.4	-1.5	1,606.1	31.4
10. McCann-Erickson Worldwide	493.0	465.8	5.8	1,401.4	35.2
11. Foote, Cone & Belding Communications	474.0	450.3	5.3	1,753.2	27.0
12. Lintas:Worldwide	435.8	532.3	-18.1	1,354.6	32.2
13. N W Ayer	402.1	350.4	14.8	892.2	45.1
14. DDB Needham Worldwide	300.5	318.0	-5.5	1,631.9	18.4
15. Bozell	139.6	122.4	14.1	1,175.0	11.9

Top billing spot TV agencies, millions of dollars

	Spot TV billings			1990 total	Spot TV billings as % of
	1990	1989	% chg	billings	1990 total
1. Saatchi & Saatchi Advertising Worldwide	$584.3	$456.5	28.0%	$1,860.9	31.4%
2. Chiat/Day/Mojo	497.3	390.0	27.5	682.0	72.9
3. D'Arcy Masius Benton & Bowles	448.6	357.9	25.4	1,978.2	22.7
4. Foote, Cone & Belding Communications	378.0	361.6	4.5	1,753.2	21.6
5. Young & Rubicam	356.7	300.8	18.6	2,112.3	16.9
6. J. Walter Thompson Co.	355.1	326.1	8.9	1,878.4	19.1
7. Campbell-Mithun-Esty	308.1	279.4	10.3	892.5	34.5
8. Grey Advertising	301.7	321.2	-6.1	1,710.0	17.6
9. Backer Spielvogel Bates Worldwide	270.4	236.3	14.4	1,136.0	23.8
10. BBDO Worldwide	266.6	240.3	10.9	1,320.1	20.2
11. McCann-Erickson Worldwide	251.0	239.9	4.6	1,401.4	17.9
12. DDB Needham Worldwide	226.7	218.8	3.6	1,631.9	13.9
13. Ogilvy & Mather Worldwide	226.0	225.1	0.4	1,606.1	14.1
14. Bozell	222.9	179.8	24.0	1,175.0	19.0
15. Admarketing Inc.	217.2	195.5	11.1	277.2	78.4

Top billing cable TV agencies, millions of dollars

	Cable TV billings			1990 total	Cable TV billings as % of
	1990	1989	% chg	billings	1990 total
1. D'Arcy Masius Benton & Bowles	$125.2	$45.6	174.4%	$1,978.2	6.3%
2. DDB Needham Worldwide	89.1	56.5	57.6	1,631.9	5.5
3. Young & Rubicam	78.8	32.7	141.2	2,112.3	3.7
4. Foote, Cone & Belding Communications	71.0	60.2	17.9	1,753.2	4.0
5. Saatchi & Saatchi Advertising Worldwide	69.9	61.4	13.8	1,860.9	3.8
6. Grey Advertising	66.6	47.8	39.3	1,710.0	3.9
7. Leo Burnett Co.	54.9	38.4	43.0	2,035.2	2.7
8. BBDO Worldwide	49.2	11.0	347.2	1,320.1	3.7
9. Lintas:Worldwide	40.4	43.9	-8.0	1,354.6	3.0
10. McCann-Erickson Worldwide	40.0	30.0	33.3	1,401.4	2.9
11. Bozell	23.0	20.0	15.0	1,175.0	2.0
12. Ogilvy & Mather Worldwide	19.4	32.2	-39.8	1,606.1	1.2
13. Jordan, McGrath, Case & Taylor	15.4	33.1	-53.5	340.0	4.5
14. Wunderman Worldwide	14.8	9.3	59.1	254.4	5.8
15. Griffin Bacal	14.0	6.3	122.2	166.3	8.4

Top billing syndicated TV agencies, millions of dollars

	Syndicated TV billings			1990 total	Syndicated TV billings as % of
	1990	1989	% chg	billings	1990 total
1. Leo Burnett Co.	$138.5	$130.5	6.1%	$2,035.2	6.8%
2. D'Arcy Masius Benton & Bowles	96.9	80.1	21.0	1,978.2	4.9
3. Foote, Cone & Belding Communications	57.0	40.0	42.5	1,753.2	3.3
4. Saatchi & Saatchi Advertising	49.0	NA	NA	1,860.9	2.6
5. McCann-Erickson Worldwide	45.0	42.0	7.1	1,401.4	3.2
6. Jordan, McGrath, Case & Taylor	44.4	41.6	6.7	340.0	13.1
7. DDB Needham Worldwide	36.0	29.1	23.4	1,631.9	2.2
8. Young & Rubicam	27.6	15.9	74.0	2,112.3	1.3
9. Hal Riney & Partners	12.0	6.8	77.8	300.0	4.0
10. Ally & Gargano	10.8	NA	NA	328.0	3.3
11. Bozell	10.0	NA	NA	1,175.0	0.9
12. Cadwell Davis Partners	8.1	3.5	131.4	101.0	8.0
13. Burrell Advertising	7.6	7.0	8.6	58.3	13.0
14. Ross Roy Group	5.9	5.7	3.5	707.0	0.8
BBDO Worldwide	5.9	4.5	31.1	1,320.1	0.4

Source: *Advertising Age* March 25, 1991
Advertising Age graph: Christine Martin/John Bohorquez

LET'S BE UPFRONT

Dick Hobbs, senior VP-media services, Leo Burnett Co., Chicago.

Prime-time bull market: "Certainly if the recession is over and the economy were to make big strides forward, that could have a positive influence from the sellers' standpoint on the upfront. But I'm not sure I believe things have turned around."

Dick Hobbs

Put it in writing: "Prime-time audience guarantees are very important.

"We're looking for a continuation of audience guarantees in the traditional fashion, straight on with Nielsen [Media Research data] and without any of these potential adjustments that were discussed last year. We're a firm believer in the people-meter system.

"The decline of [network TV viewing] audiences has been a fact of life, and one has to buy around it.

"There's erosion in all day-parts. I'm not sure whether the percentage of erosion is greater in prime time, but it might be."

—*Laurie Freeman*

BY THE BUY: CABLE

Name: Susan Ware
Title, agency: Network program supervisor, DDB Needham Worldwide, New York
Years in current position: 2
Years in media department: 15
How did you wind up buying TV? "I started as an assistant buyer and planner, and was at [New York-based media buying service] Clifford A. Botway Inc. doing print buying, and Needham had an opening, so I went there."

Susan Ware

What do you like most about buying TV? "TV is very dynamic. There are so many alternatives."
What do you like least about buying TV? "Sometimes it's too complicated. There are too many cable salespeople and so many cable channels. Every time one changes management, everyone's new and you have to get to know them all over again."
If you weren't buying media, what would you rather be doing? "In college I wanted to be a marine biologist, but I'd rather be fishing. A couple of my friends and I kid around that we're going to open a pizza parlor."
What do you expect for unit costs and CPMs in cable? Flat to a 1% to 5% increase at most. "There will be major adjustments with network this year, so cable should be flat."
What do you expect for the upfront season? It'll be "long and arduous. With network setting the tone for everyone, cable should not be quite so hard-nosed, although they might be. Our experience is that [cable] pricing should be in a certain place, but we don't necessarily share that point of view with the people who are selling it. National syndication's a funky mess . . . cable is still strong this year. I have this feeling sometimes that the cable networks are going to really ram it to us. It will be interesting dealing with CNN."
Who's holding the cards? Buyers: "We all have a similar mentality this year."
Did you feel the same way about last year's upfront? "Yes, but buyers may have more [clout] than last year. Even if the cable networks are going to be tougher, I think the buyers will still hold the cards."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? Cold
What's the most important issue for cable? "I think the thing we're most worried about is the measurement issue."
Which cable network is the one to watch this year? Arts & Entertainment Network: "They tend to adjust their schedule like a broadcast network; a lot of strategy goes into trying to make their network appealing. They're trying to do exciting things."
What type of program is your personal favorite? Mysteries
What show do you stay home to watch? "L.A. Law"
What shows do you regularly videotape? "None. I don't have time to watch them anymore."
What show do you wish hadn't been cancelled? "ALF"
What is your current favorite cable show? A&E's "Agatha Christie Mysteries"
Characterize the quality of the average cable show: "It's equal to network programming. The cable networks are really making an effort to provide high quality."

—*Alicia Lasek*

BY THE BUY: CABLE

Name: Suzanne Shawn
Title, agency: Senior VP-national broadcast media, Lintas:Campbell-Ewald, Detroit
Years in current position: 1
Years in media department: 9
How did you wind up buying TV? "I was hired by Campbell-Ewald in 1982 to explore new technologies—cable."

Suzanne Shawn

What do you like most about buying TV? "I like the challenges of it. I also like being part of the beginnings of cable and witnessing it grow, but knowing that it's still evolving."
What do you like least about buying TV? "The upkeep and the maintenance. It's a laborious task."
If you weren't buying media, what would you rather be doing? "You know, I never even thought about it. I'm doing what I want to do."
What do you expect for unit costs and CPMs in cable? CPMs will hold stable. "It's a buyer's market. There's going to be less money available in the marketplace."
What do you expect for the upfront season? "I think the cable [upfront] marketplace will follow the networks' season. The networks will set the tone, and I think they'll cut good deals with advertisers. This will have a residual effect on cable, and it'll be difficult for cable to be that aggressive [on pricing] if

advertisers get these great deals."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? No. "This year, the economy is a key factor."
What's the most important issue for cable? Inventory control: "Several networks have a way to go before they know what they have to sell."
Which cable network is the one to watch this year? Turner Network Television: "Especially if they can expand on their original productions, which are excellent. They've already got terrific movies and the National Basketball Association."
What type of program is your personal favorite? "I don't watch a lot of TV. I'm a light viewer."
What show do you try to stay home and watch? "L.A. Law"
What is your current favorite cable show? "L.A. Law" on Lifetime
Characterize the quality of the average cable show: "A lot of cable TV shows are off-network series, so they're the same as network TV. But the original programming is terrific. That's what they're concentrating on; they're on par with anything."

—Junu Bryan Kim

BY THE BUY: SYNDIE

Name: Steve Auerbach
Title, agency: senior VP-director of network programming, Ally & Gargano, New York
Years in current position: 5
Years in media department: 15
How did you wind up buying TV? "I was in the network television research department at Ted Bates. It evolved into an assistant buyer's job."

Steve Auerbach

What do you like most about buying TV? "It's program-oriented, rather than spot TV, where you're buying a daypart rotation. Also, it's more 'show-bizzy' than other media. It's less that now, but in the beginning, that was a fun aspect. You got to go places and rub shoulders with the famous and not-so-famous."
What do you like least about buying TV? "It's becoming less relationship-oriented and more pocketbook-oriented. It used to be a closed business. You saw the same people over and over, and you could get some favors. It was an 'I'll rub your back if you rub mine' situation."
If you weren't buying media, what would you rather be doing? "Sitting in a yacht, having someone sail it around the world for me. I'd find the best golf course on an island, get off and play a few rounds and get back on again."
What do you expect for unit costs and CPMs in syndicated TV? No change or a decrease of up to 5% in costs and CPMs: "That's how it should be. The talk is less money in the upfront marketplace, and as an incentive to get the money in, the syndicators have to lower their prices."
What do you expect for the upfront season? Because of the economy, "it will be a buyer's market. Those two words haven't been uttered in a long, long time."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? No: "It's been a seller's market for a long time."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? Cold: "There are going to be regular guarantees. Syndicators have already said that."
What's the most important issue for syndicated TV? "The syndicators must relate to the buyer's realistic rating estimates. We try to build 'recapturable inventory'—make-good inventory that's allocated at the time the buy is ordered—so we don't find ourselves 20% behind later. If the syndicator delivers the guaranteed rating, then they can take the inventory and sell it. Otherwise, it can be used as a make-good."
Which syndicator is the one to watch this year? Paramount Television Group: "They've got 'The Maury Povich Show,' 'The Arsenio Hall Show' and 'The Party Machine with Nia Peeples.' They're giving their shows a chance to succeed and coming up with fresh, successful products. You could say King World is the strongest; they have been, income-wise, but they've been riding on 'Wheel of Fortune,' 'Jeopardy!' and 'The Oprah Winfrey Show' for the last umpteen years. They'll say, 'Look at "Inside Edition," ' but it isn't that strong. They generate more income, but their shows will get tired."
What type of program is your personal favorite? News and sports programming
What shows do you try to stay home and watch? " '60 Minutes,' if anything, but I usually don't."
What shows do you regularly videotape? None: "I haven't figured out how to yet."
What show do you wish hadn't been canceled? The original "Star Trek"
What is your current favorite syndicated TV show? "Jeopardy!"
Characterize the quality of the average syndicated TV show: "I worked for a syndication company 15 years ago. But it's a different generation now, and it's 1,000% better than it used to be. . . . In the early days, they had two or three talk shows and the rest were reruns. There was no original programming. The packagers wouldn't have the balls to deficit-spend. But it's matured."

—Alicia Lasek

BY THE BUY: SPOT

Name: Oksana Glass
Title, agency: manager-local broadcast, Chiat/Day/Mojo, New York
Years in current position: 3½
Years in media department: 22
How did you wind up buying TV? Began in 1969 by buying for Tatham-Laird & Kudner, Chicago. Eventually moved to New York and bought for Wells, Rich, Greene and SSC&B. "I came in as New York supervisor when Chiat/Day regionalized."

Oksana Glass

What do you like most about buying TV? "It's so topical and so immediate. We can take advantage of local tie-ins, and you can really turn around the next day and do something new."
What do you like least about buying

(Continued on Page S-32)

CBS National Sales & CICI-TV & CKNC-TV & KAMR-TV & KATU-TV & KAYU-TV & KAKE-TV & KAPP-TV & KAUZ-TV & KATV & KALB-TV & Cedar Rapids TV Company & KADN-TV & KABB-TV & KARD-TV & KATC-TV & KAME-TV & KBMT-TV & KBSI-TV & KBAK-TV & KBTX-TV & KCRG-TV & Cox Broadcasting & KCPM-TV & KCTV & KCBA-TV & KCBS & KCRA-TV & KCSO-TV & KCOY-TV & KCCI-TV & KCY-TV & KCFW-TV & Eagle Communications & KCRA-TV & KCRA-TV & KDVR-TV & KDSM-TV & KDLH-TV & KTTU-TV & KDEB-TV & KEZI-TV & KECY-TV & KENS-TV & Great American Broadcasting & KEYT-TV & KECI-TV & KEPR-TV & KFDA-TV & KFTY-TV & KFTY-TV & KFBB-TV & KFVE-TV & KFDX-TV & KFXK-TV & KWHY (Hispanic Telecom Group) & KGTV & KGBT-TV & KGUN-TV & KOCB-TV & KGGM-TV & KGIN-TV & KHSL-TV & KHQ-TV & KHTV & KHQA-TV & Buena Vista Television & KHON-TV ... tal Cities/ ABC, Inc. & ... -TV & CBS/ Broadcast ... & KMIZ-TV & KMVT-TV ... KOAM-TV & KODE-TV & ... TV & KPAX-TV & KQTV- ... & KRTV-TV & KRCR-TV ... ent, Ltd. & KSAS-TV & ... -TV & Fox Broadcasti ... KTVM-TV & KTRE-TV & ... TV & KTSP-TV & KUTV ... & KVOS-TV & KVOS-TV ... KXLY-TV & KXLF-TV & ... TV & WACH-TV & WACH ... WBTW-TV & WBFF-TV & ... TV & WCIA-TV & WCJB- ... & WDBB-TV & WDAF-TV ... & WEHT-TV & WEVU-TV ... WGN-TV & WGEM-TV & ... -TV & Katz Communica ... TV & WIFR-TV & King W ... TV & WJCL-TV & WJBF- ... WKJG-TV & WKPT-TV & ... & WLOX-TV & WLTX-TV ... & WMBD-TV & WMAR-TV & WMDT-TV & WMSN-TV & WNEM-TV & WNOL-TV & WNUV-TV & WNRW-TV & WNWO-TV & Orbis Communications, Inc. & WNRW-TV & WOAY-TV & WOKJ-AM/WJMI-FM & WOGX-TV & WOWT-TV & WOTV-TV & WOLO-TV & WPDE-TV & WPXI-TV & WPGH-TV & Paramount Pictures Corporation & WPTY-TV & WPMI-TV & WPTT-TV & WPMT-TV & WRGT-TV & WRLH-TV & WRSP-TV & WRDW-TV & WRBL-TV & WREX-TV & Petry, Inc. & WROC-TV & WRGT-TV & WRLH-TV & WSB-TV & WSOC-TV & WSMH-TV & WSMV-TV & WSYX-TV & WSBK-TV & WSEE-TV & Seltel, Inc. & WSYM-TV & WSAW-TV & WSYT-TV & WSJV-TV & WTVC-TV & WTTV-TV & WTMJ-TV & WTTO-TV & WTSP-TV & WFXL-TV & Teletrib, TPE/TEC & WTKR-TV & WTRF-TV & WTLV-TV & WTVZ-TV & WTVO-TV & WTTE-TV & WTVM-TV & WTAT-TV & WTVW-TV & WTVY-TV & Telerep, Inc. & WTOV-TV & WTWO-TV & WTAP-TV & WTOK-TV & WTAT-TV & WUPW-TV & WUHQ-TV & WUHF-TV & WUTQ-TV & WUHF-TV & Twentieth Century Fox TV & WUTV-TV & WVTM-TV & WVAH-TV & WVLA-TV & WVVA-TV & WVAH-TV & WWL-TV & WWTV-TV & WWBT-TV & WXMI-TV & Viacom International, Inc. & WXIX-TV & WXVT-TV & WXTX-TV & WTXF-TV & WXXV-TV & WXFL-TV & WYOU-TV & WYSM-TV

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Leading advertisers on network TV, millions of dollars

	1990	1989	% change
1. General Motors Corp.	$598.4	$506.5	18.1%
2. Procter & Gamble Co.	557.6	404.8	37.7
3. Philip Morris Cos.	402.2	368.4	9.2
4. Kellogg Co.	301.3	324.8	−7.2
5. Sears, Roebuck & Co.	253.8	187.5	35.4
6. AT&T Co.	244.9	162.7	50.5
7. McDonald's Corp.	231.0	252.1	−8.4
8. Johnson & Johnson	211.4	169.9	24.4
9. Ford Motor Co.	196.9	201.4	−2.2
10. PepsiCo	193.4	168.8	14.6
11. Chrysler Corp.	190.0	140.6	35.1
12. Grand Metropolitan	183.1	148.2	23.5
13. Toyota Motor Sales USA	170.9	110.8	54.2
14. Unilever U.S.	162.9	190.4	−14.4
15. American Home Products Corp.	150.5	161.9	−7.0
Total network TV spending	$10,132.3	$9,559.0	6.0%

Leading advertisers on spot TV, millions of dollars

	1990	1989	% change
1. Procter & Gamble Co.	$303.2	$218.1	39.0%
2. PepsiCo	284.6	264.7	7.5
3. Philip Morris Cos.	221.2	180.4	22.6
4. General Mills	191.5	150.3	27.4
5. McDonald's Corp.	146.0	141.3	3.3
6. General Motors Corp.	136.5	90.9	50.2
7. Toyota Motor Sales USA	117.6	91.0	29.2
8. Nissan Motor Corp. USA	108.2	113.5	−4.7
9. Anheuser-Busch Cos.	91.6	94.8	−3.4
10. Walt Disney Co.	86.2	66.8	29.0
11. Time Warner	81.8	86.7*	−5.7
12. Coca-Cola Co.	75.8	68.1	11.3
13. AT&T Co.	69.0	39.8	73.4
14. Unilever U.S.	64.5	60.0	7.5
15. Grand Metropolitan	58.8	75.7	−22.3
Total spot TV spending	$9,293.3	$9,030.4	2.9%

Leading advertisers on syndicated TV, millions of dollars

	1990	1989	% change
1. Philip Morris Cos.	$113.8	$106.8	6.6%
2. Procter & Gamble Co.	118.7	82.9	43.2
3. Warner-Lambert Co.	48.4	24.7	96.0
4. Grand Metropolitan	45.8	25.4	80.3
5. Kellogg Co.	45.3	50.7	−10.7
6. Unilever U.S.	42.2	38.9	8.5
7. Nestle Foods Corp.	36.7	33.3	10.2
8. Coca-Cola Co.	34.1	18.4	85.3
9. Johnson & Johnson	33.4	19.1	74.9
10. Bristol-Myers Squibb Co.	32.6	34.3	−5.0
11. McDonald's Corp.	28.0	17.4	60.9
12. General Motors Corp.	27.6	20.7	33.3
13. Time Warner	27.6	13.2*	109.1
14. Wm. Wrigley Jr. Co.	23.3	12.2	91.0
15. Mars Inc.	23.0	22.3	3.1
Total syndicated TV spending	$1,587.6	$1,286.7	23.4%

Leading advertisers on cable TV networks, millions of dollars

	1990	1989	% change
1. Procter & Gamble Co.	$57.9	$36.1	60.4%
2. Time Warner	50.9	35.5*	43.4
3. General Mills	27.4	21.3	28.6
4. Anheuser-Busch Cos.	26.8	26.3	1.9
5. Philip Morris Cos.	26.6	20.5	29.8
6. General Motors Corp.	26.0	21.0	23.8
7. RJR Nabisco	21.7	19.1	13.6
8. Sears, Roebuck & Co.	19.8	13.3	48.9
9. AT&T Co.	15.3	6.6	131.8
10. PepsiCo	13.1	9.7	35.1
11. Levi Strauss	12.7	9.5	33.7
12. Eastman Kodak Co.	12.6	10.6	18.9
13. American Home Products Corp.	10.8	10.8	0.0
14. Clorox Co.	10.8	10.5	2.9
15. Mars Inc.	10.4	14.0	−25.7
Total cable network TV spending	$1,110.2	$952.5	16.7%

* 1989 figure represent combination of Time Inc. and Warner Communications.
Source: LNA/Arbitron Multi-Media Service
Adver'ising Age Graphic: Christine Martin/John Bohorquez

(Continued from Page S-31)

TV? "Daytime. Some dayparts are so boring, depending on the mix of the dayparts you have."
If you weren't buying media, what would you rather be doing? "I'd be a travel agent and do a lot of traveling."
What do you expect for unit costs and CPMs in spot TV? No change. "They should stay the same until the second quarter of '92 with the Olympics and elections. But if the recession ends, an increase [of 1% to 2%] might hit in the fourth quarter of '91."
What do you expect for the upfront season? "We're busy, but I don't anticipate huge [price] jumps. . . . A lot depends on the accounts you have at the time. One category that's still active is automotive, for example, despite the cutbacks."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? Yes: "The last few years we've had more weight."
Is the TV audience measurement issue going to be hot or cold? Cold
Is the audience guarantee issue going to be hot or cold? "There's an understanding between buyers and sellers that any big variations are taken care of in-flight. There's no written guarantee—you either accept it, or you don't. If there's fall-off you expect compensation."
What's the most important issue for spot TV? Ad costs: "All clients are concerned with that now."
Which local station do you feel is the one to watch this year? "It's hard to say. It really depends on the strength of the local news."
What type of program is your personal favorite? "Sitcoms, but I'm very picky."
What show do you stay home to watch? "Murphy Brown"
What show do you regularly videotape? Movies, but no regular series.
What show do you wish hadn't been canceled? "Barney Miller"
What is your current favorite show? "Murphy Brown"
Characterize the quality of the average local spot show: "The stations that have the great news operations are usually the great ones locally. The problem is, there's a big difference between programming in a market like New York and a market like Utica."

—Alicia Lasek

LET'S BE UPFRONT

Robert Ward, director of advertising services, Miller Brewing Co.

Spot selection: "We renewed all our major sports properties [baseball and professional basketball and football] and locked up multiyear deals on each of those properties at pricing we thought was favorable. Obviously the networks thought it was favorable to them.

"But I think audience guarantees will continue to be a vital component of the marketplace."

More bang for the bucks: "There are perhaps better opportunities to get value out of your relationship with the networks than simply squeezing every last 5¢ out of them and playing the scatter market. We're seeing really positive signs of the networks becoming more like marketers; a recent example would be a program we've initiated with NBC where Miller Lite was featured within the promotional announcements NBC runs for its prime-time lineup.

"That kind of partnership is something that the networks [have been slow in coming up with,] but I think the opportunity has arrived. It's not just simply who can sell it for the lowest price," but who offers creative ways to develop value-added packages to stretch the money spent, he says.

—Laurie Freeman

BY THE BUY: SPOT

Name: Dorothy Swerdlick
Title, agency: VP-director of spot TV broadcast, Saatchi & Saatchi Advertising, New York
Years in current position: 3
Years in media department: 16
How did you wind up buying TV? "I started in what was called billing and estimating at the time and then moved into the media department, working on one account doing budgets and allocations. Sixteen years ago, there was an opportunity to move into [TV buying]. It seemed interesting, and there was more growth potential."

Dorothy Swerdlick

What do you like most about buying TV? "It's a very complicated arena. It's constantly changing one way or another; there's always a new nuance. And I'm a people person, so I like that aspect of it."
What do you like least about buying TV? "There's nothing about it I don't like."
If you weren't buying media, what would you rather be doing? "Sitting on the beach in the Bahamas or winning the lottery and traveling around the world."
What do you expect for unit costs and CPMs in spot? "It depends on the market. The East Coast is hurting now; the West Coast isn't. It depends on what will happen with the economy. Even if unit costs do vary, CPMs won't necessarily correlate. There's no way to predict [percent changes in costs and CPMs] now."
What do you expect for the upfront season? "If [the economy] continues this way, it will be soft. We're in a recession [and] advertising dollars are at a premium, so it will go back to the individual marketplace. Whether you're doing long-term buying or short flights, it's going to depend on the marketplace."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? Yes
Is the audience guarantee issue going to be hot or cold? "In the local area, it's more or less a gentlemen's agreement."
Is the TV audience measurement issue going to be hot or cold? Cold
What's the most important issue for spot? "Being able to zero in on a program's reach. There's not a lot of research available."
Which local station is the one to watch this year? "The markets I deal with are all very complicated right now. Everyone's trying to do their best."
What's type of program is your personal favorite? "I'll merrily say sitcoms."
What shows do you regularly videotape? "L.A. Law"
What shows do you wish hadn't been canceled? "St. Elsewhere" and "Working It Out"
What is your current favorite broadcast show? "L.A. Law"

—Alicia Lasek

BY THE BUY: CABLE

Name: Stuart Shlossman
Title, agency: senior VP-associate director of national broadcast, BBDO Worldwide, New York
Years in current position: 4
Years in media department: More than 6
How did you wind up buying TV? "I worked at SSC&B [now part of Lintas:Worldwide] in media planning, and an opportunity came up to move to network buying.

"I took advantage of it. I'm personally very results-oriented: In buying, you can take the theory and make it reality. In planning, you put the theory on a flow chart."

Stuart Shlossman

What do you like most about buying TV? "The medium offers a lot of opportunities for creativity, whether it's promotions or a contest. . . . I also enjoy the process of negotiating, which is what we all live for."
What do you like least about buying TV? "The amount of paperwork and follow-up involved. If you spend $1 million on cable, you have some instances where you're talking 2,000 units. You have to track and analyze all those units. It takes a lot of manpower."
If you weren't buying media, what would you rather be doing? "I'd like to be in the marketing department of an advertiser. In marketing, you get to look at the bigger picture."
What do you expect for unit costs and CPMs in cable? CPMs will stay constant, while unit costs will go up 5% to 10%. "Cable's still growing. With remote control, cable has less of that 'that's not real television' attitude. Viewing levels will continue to increase, and that will drive up unit costs."
What do you expect for the upfront season? "Business as usual. Last year, things were fairly orderly. We were happy with most of the deals we cut, and we're happy with the relationships we have with most of the cable network management."
Who's holding the cards? Buyers
Did you feel the same way about last year's upfront? "No. The over-the-air networks aren't in the same position of strength as last year. I think their pricing will be more reasonable. There may not be the same rush to take money out of network and put it into cable.

"Last year, cable and Fox [Broadcasting Co.] benefited from the [networks'] aggressive attitude. If the networks are more reasonable in their pricing, it may be difficult for Fox and cable to maintain the same level of growth."
Is the TV audience measurement issue going to be hot or cold? "It depends from whose side. From the media's side it will always be hot. It's like the weather; we can't do anything about it until somebody shows us something better. We have to live with it."
Is the audience guarantee issue going to be hot or cold? "Cold. It's not an issue."
What's the most important issue for cable? Filling the demand for value-added benefits. "We're looking for the extra value, that extra hook that will convey the client's message more than a 30-second commercial. Value-added is the buzz word now."
Which cable network is the one to watch this year? "The cable network in the strongest position is probably ESPN. It's also in the most difficult position because of the burden of its baseball contract."
What type of program is your personal favorite? Sports
What shows do you stay home to watch? "MTV Unplugged": "I consider that 'appointment television.' "
What shows do you regularly videotape? Occasionally "Sesame Street"—"Not for myself, by the way"—and "Entertainment Tonight" to stay current with the entertainment industry.
What show do you wish hadn't been canceled? "Hill Street Blues"
What is your current favorite cable show? "MTV Unplugged"
Characterize the quality of the average cable show: ' There is no average cable show."

—*Alicia Lasek*

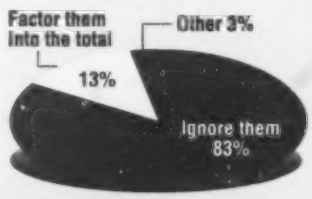
Network viewership shell game turns up empty

Last year the Big 3 broadcast networks were grasping at anything to counteract continuing Nielsen Media Research reports of declining TV viewership.

Suddenly the networks started to tout masses of undercounted college TV viewers, lunchtime snackers, tavern samplers–almost any out-of-home TV watching–as part of the reason the numbers were falling.

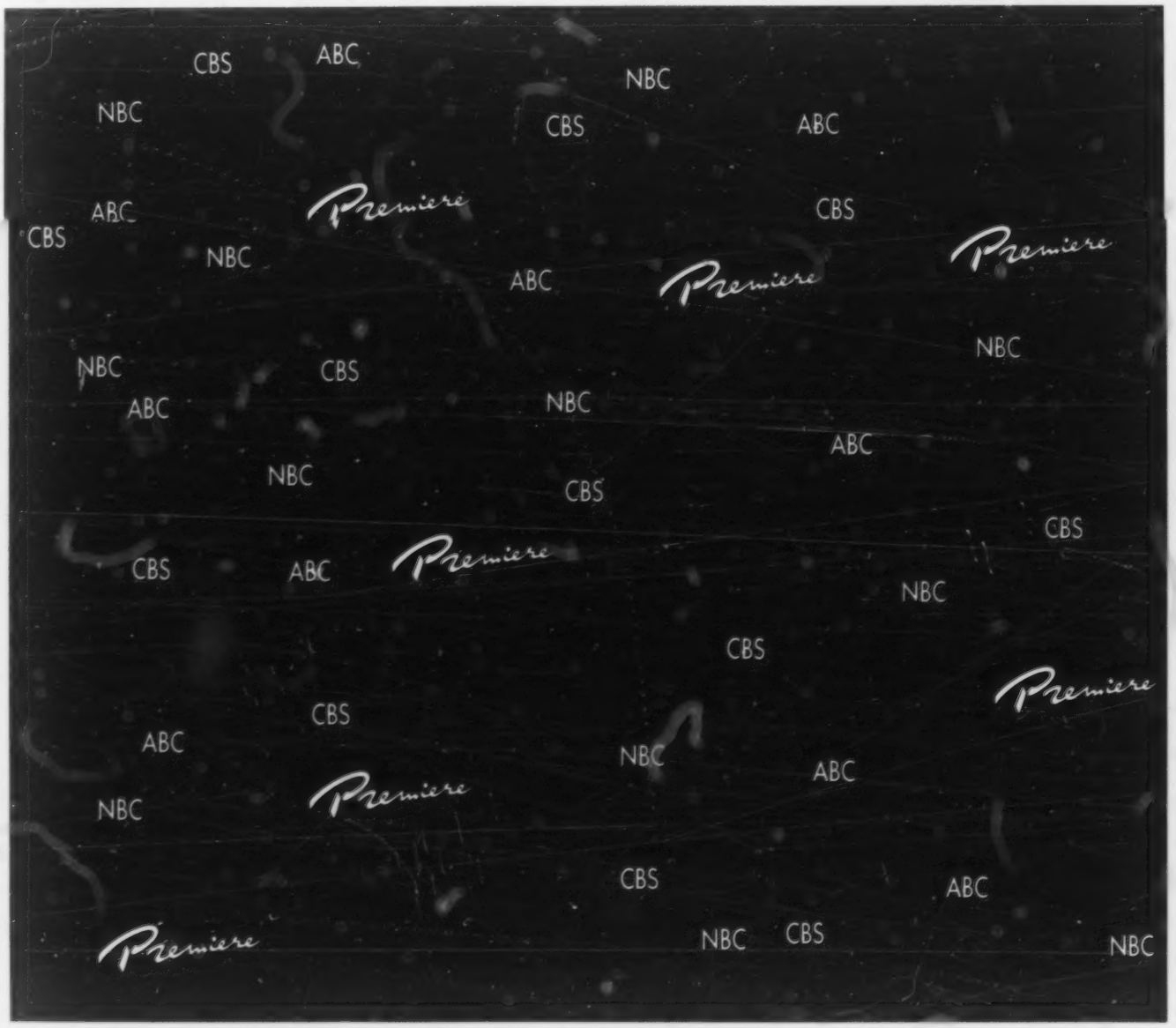
Did buyers buy the networks' line?

How do you react to "out of home" unmeasured viewers? (Percentage of survey respondents)



Source: Bruskin Associates

Advertising Age/Electronic Media graph: Holly Seguine



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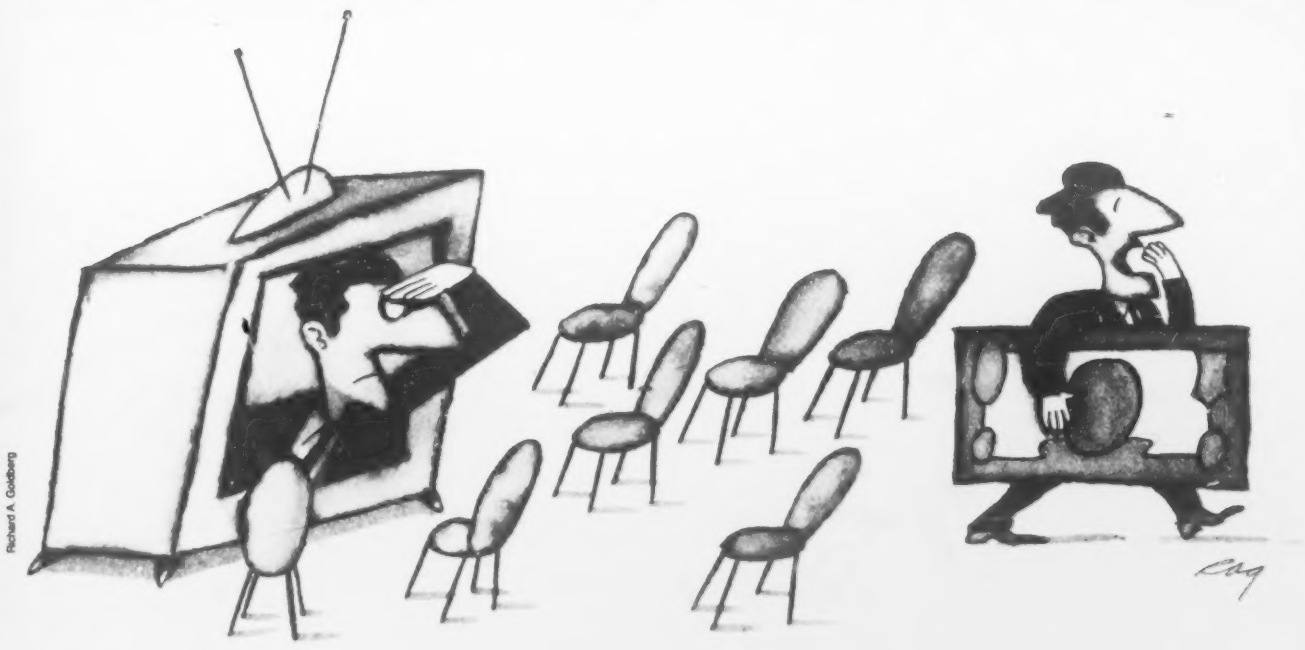


Back in the plus column

The once-touchy subject of audience measurement cools off as the networks say it in a word to advertisers: 'Guaranteed'

By Joe Mandese

The Big 3 TV networks are unhappy with Nielsen Media Research's ratings--unhappy enough to request a study of Nielsen's methods.

But one factor undermines their power to pass their dissatisfaction to advertisers: the lackluster sales environment.

"The key thing for the networks this year is . . . to try and secure contracts and advertiser confidence," says Richard Kostyra, exec VP-U.S. director of media services, J. Walter Thompson USA, New York.

According to a Bruskin Associates survey of advertiser and agency media executives commissioned by *Advertising Age* and *Electronic Media*, 92% say they consider the current network TV audience measurement system to be reliable.

The survey also found audience measurement ranked last among four issues as the one respondents feel TV media sellers should address first.

These findings illustrate how the issue that infuriated buyers in last year's upfront season—the Big 3's proposal to adjust viewership guarantees—is now comatose, if not dead.

"I can't even imagine the networks trying to do anything like [asking for adjusted guarantees] this year," Mr. Kostyra says.

"It's not even a discussion point this year," says Aaron Cohen, senior VP-executive media director, N W Ayer, New York.

The networks implemented a controversial viewer-counting formula in last year's upfront season to protect themselves against what they said were unexplained ratings drops—and thus to reduce their liability for underdelivering audience levels guaranteed to advertisers.

In the first quarter of 1990, Nielsen reported an unusual drop in total TV viewership. The Big 3 combined for a 39.7 rating in this period, down 4% from the first quarter of 1989.

This plunge forced the networks to provide advertisers with millions of dollars in make-good units—free ad time to compensate for shows failing to deliver a projected number of viewers.

However, the networks' decision cost them upwards of $200 million in upfront sales—money that was redirected to alternatives like syndication and cable, which continued to do business with traditional guarantees.

> **"I believe that we continue to have [ratings measurement] problems that were masked by the increases from the Persian Gulf War."**

Fox Broadcasting Co. also provided normal guarantees and sold $550 million of inventory last upfront season, almost twice its 1989 upfront tally.

What's more, the bargains in today's scatter market have diverted the attention of buyers away from the potentially sticky issue of audience measurement. The traditional ratings guarantees given to some scatter buyers making large purchases emphasized the weakness of the modified upfront guarantee.

According to the *Advertising Age/Electronic Media* survey, 30% of network TV buyers say the Big 3 networks' attempts to revise guarantees caused them to either decrease their network TV budgets or shift some of them into scatter or other alternatives.

To avoid driving business to more advertiser-friendly alternatives in this soft marketplace, the Big 3 will return to traditional sales guarantees for 1991-92 deals.

"We're in the customer satisfaction business," says Pier Mapes, NBC network president.

But these customers don't agree with the networks' claims of problems with the ratings systems.

"The first quarter of 1990 was basically an aberration," concludes Steve Sternberg, VP-manager of broadcast research, Bozell, New York. "Nielsen has not found anything wrong with its methodology."

In fact, total TV viewership is up this season, in part as a result of high viewership of Persian Gulf War coverage.

Ironically, much of that viewing has benefited network alternatives like Cable News Network, and the Big 3's prime-time ratings this season were off about 6% from the previous season.

Still, the networks emphasize that they're not happy with Nielsen's ratings.

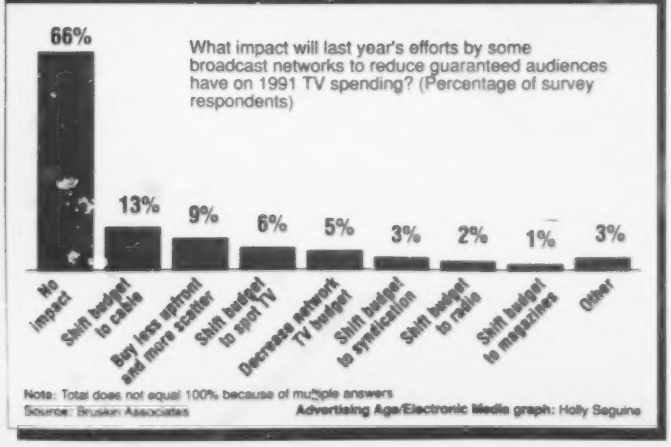
Given the intensity of the public's interest in Persian Gulf War programming, the number of households using televisions actually should have been higher rather than even with the viewing level last season, says David Poltrack, VP-planning and research at CBS.

"I believe that we continue to have [ratings measurement] problems that were masked by the increases from the Persian Gulf War," he says.

The networks, along with the National Association of Broadcasters, last month launched a three-year study on the accuracy of Nielsen's TV ratings. This research will involve some type of coincidental study for comparative purposes, such as a telephone survey and the testing of new research methods.

"We're going to continue to challenge the accuracy of our audience estimates," Mr. Mapes says. □

It's guaranteed: Nets get burnt by audience issue



Note: Total does not equal 100% because of multiple answers
Source: Bruskin Associates
Advertising Age/Electronic Media graph: Holly Segure

Hey kids! Sit still for a minute

Kids can be such a pain.

TV network researchers insist major audience measurement problems exist in quantifying younger viewers.

"It's no secret that there is some concern about whether kids are pushing the [people-meter] buttons," says Bob Niles, VP-research at NBC. "We've seen signs of kids, teens and young adults where the largest discrepancy is."

Although TV audiences for most demographic groups are up this year, children's viewership is down. For the 1990-91 TV season, the Big 3's combined Saturday morning rating for kids ages 2 to 11 fell to 18—down 16% from the previous season—despite the fact household viewing levels are up slightly in the daypart.

Although agency representatives and the TV networks disagree on the overall validity of Nielsen Media Research's numbers—and although these numbers haven't affected this daypart's spending levels and demand for ad time—they agree Nielsen must re-evaluate its approach to measuring and reporting children's TV viewing.

Children's viewing levels have been inconsistent from quarter to quarter, suggesting some instability in the data, says Jon Swallen, VP-associate director of research, OgilVy & Mather, New York.

"One quarter they're down 10% [from the same period in the previous year] and the next they are flat. Then the next quarter they're down 10% again. There is no consistency, but how much is the ratings system and how much is real we don't know," he says.

Nielsen has gone to lengths to trouble-shoot the problem. When children's viewing levels change dramatically within sample households, for example, Nielsen staffers contact the home to learn why. However, Nielsen is loath to have too much contact with its sample participants, because it is concerned doing so might affect normal viewing patterns.

"We want to measure TV viewing in the least intrusive way possible," says Jack Loftus, VP-communications for Nielsen.

He says clients have suggested the research company increase incentives to children such as toys, T-shirts and money to get them to use the people meters more effectively.

"We don't want to pay for performance, because we don't want to influence their behavior," explains Mr. Loftus.

He admits there's no easy solution on the horizon.

"We don't think there is any quick fix to research problems associated with children's [viewership] measurement," Mr. Loftus says.

—Joe Mandese

NOTE

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Cov. 1, Pgs: 2, 19, 22,

N1-N3, N6-N8, N10-N12, N14,

31, 32, 34-39

0 14302 76871 1 20

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CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA MD 20814

C2710-1

Advertising Age

May 20, 1991

Copyright 1991 by Crain Communications Inc.

Crain's International Newspaper of Marketing • In Two Sections • Section 1 • $2.50 • $3.00 in Canada • £3.50 in U.K.

LAST MINUTE NEWS

Rosenfeld exits to form new company

NEW YORK—Ron Rosenfeld, 58, co-chairman and co-creative director at Rosenfeld, Sirowitz, Humphrey & Strauss, is leaving to start a "creative communications company." Co-chairman Len Sirowitz said no changes will be made at the agency in the wake of Mr. Rosenfeld's departure.

CBS asks $850,000 for Super Bowl :30

NEW YORK—CBS is seeking a 30-second unit rate of $850,000 for Super Bowl XXVI, up 6.3% from ABC's $800,000 Super Bowl XXV rate, agency buyers said. Several advertisers, including Anheuser-Busch and Nike, have already placed time in the game as part of early packages, but the market isn't expected to heat up until August.

A-B's Fruit to take major Coke post

ST. LOUIS—Charles B. Fruit will resign as president of Anheuser-Busch's Busch Media Group unit to join Coca-

(Continued on Page 8)

Time Warner deal set

Martha Stewart pact to include magazine, TV, video

By Scott Donaton

NEW YORK—Time Warner is close to signing a 10-year contract with home entertainment maven Martha Stewart that includes the rollout of *Martha Stewart Living* as well as broadcast TV, book and video projects.

The deal marks one of the most ambitious attempts to exploit the combined resources of Time Inc. and Warner Communications since the companies merged in 1989.

"There's been such a fundamental change in the way advertising is sold," said one Time Warner source. "If you can't offer advertisers a menu of properties and resources, I don't think you're going to stay on their list."

Time Warner executives wouldn't comment on the 10-year deal.

The media giant has increasingly tried to develop synergies among its vast array of properties, in part to secure a greater share of advertisers' declining budgets. But few of the deals to date have approached the size and scope of the Martha Stewart project.

Martha Stewart Living is being developed by Time Publishing Ventures, a Time Inc. Magazine Co. division. The home entertainment guru fits into Time Publishing Ventures' strategy of tapping into the perceived return of family- and home-oriented values among aging baby-boomers.

The project "does a lot more in demonstrating what Time Warner can do, what they're capable of," said Paul DuCharme, VP-director of print media at Grey Advertising.

The magazine launch follows the publication of two test issues of the upscale women's lifestyle/how-to title. The

(Continued on Page 54)

Doug Gruehan

4A'S MEETING

Four A's President John O'Toole with newly elected Chairman Alex Kroll and new Vice Chairman Bob James at West Virginia's Greenbrier Hotel.

4A's swerves as shops face troubled times

By Jon Lafayette

WHITE SULPHUR SPRINGS, W.Va.—The American Association of Advertising Agencies appears to be changing direction, again, as executives searching for solutions to their mounting problems gathered at one of the group's smallest—and dullest—annual meetings in memory.

There are strong signs the industry is unclear whether it wants to go full-force toward the "new advertising" of integrated marketing or return to the "old advertising" of emphasizing creative media advertising.

Young & Rubicam Chairman Alex Kroll, who succeeded DDB Needham Worldwide Chairman Keith Reinhard last week as chairman of the Four A's, seems to be interested in promoting the value of creative "icons" rather than pushing integrated marketing, which has been emphasized over the past year.

"Well-organized communications that revolve around a central strategy are most efficient," Mr. Kroll said. But at the center

(Continued on Page 4)

■ More Four A's meeting coverage, pictures—Page 4.
■ Excerpt from Martin Mayer's new book on advertising—Page 3.

Persistent auto slump stalls ads

By Raymond Serafin and Cleveland Horton

The auto sales slump has dimmed hopes for any significant comeback in automotive ad spending in the second half.

Last week, the pessimistic outlook led two General Motors Corp. agencies to reduce staffs.

Lintas:Campbell-Ewald, which handles about $400 million in GM business, mainly Chevrolet, laid off 71 people, about 11% of the Warren, Mich.-based agency's staff. N W Ayer, Detroit, which services the estimated $40 million corporate image account, released three people, or 10% of its staff.

Media buying sources at GM agencies say category spending in the network TV upfront market is expected to be down sharply this year, despite unusual early activity by some of the imports *(see story on Page 3)*.

While GM has yet to negotiate any new 1991-92 network deals, agency Leo Burnett USA, Chicago, is negotiating with NBC on modifications in its multiyear deal, which is estimated at about $140 million for 1991-92.

Top auto executives now forecast only a modest rebound, at best, in the second half.

Agency sources say overall 1991 GM ad spending on all media will probably come in at about $200 million, or 14%, under 1990, when the company spent an estimated $1.4 billion on advertising.

While GM divisions are honoring previously made commitments, all other ad programs are being scrutinized closely, with the emphasis on maintaining flexibility and funding for new-product launches, agency sources say.

Lintas:Campbell-Ewald was hit hard, with sources projecting agency billings will fall $80 million, or 20%, from the estimated $400 million it handled last year for Chevrolet and smaller GM units such as GMAC, Delco and AC-Delco.

"The second half looks like it's going to be a lot like the first half," said Richard O'Connor, agency chairman-ceo, who blamed the layoffs on "across-the-board client budget reductions." Mr. O'Connor didn't specifically discuss GM spending, but it's believed GM accounted for about 85% of agency billings last year.

Sources say Lintas:Campbell-Ewald unsuccessfully tried to convince GM to increase agency compensation to make up for the decline in billings.

GM, which reported a first-quarter operating loss of $1.16 billion and a net loss of $376.5 million, was said to be unreceptive to guaranteeing levels of rev-

(Continued on Page 54)

INSIDE

200 Brands: Top brands boost media spending 10.7% in 1990. **Page 19**

Special Report: Direct-response shops beat recession. **Page 31**

BUSINESS DIRECT RESPONSE REPORT
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NEWS SUMMARY

■ **Time Warner** and Martha Stewart are expected to sign a contract to feature the home entertainment expert across a wide range of the company's resources, including magazines, broadcast TV, books and video projects. 1

■ **Auto ad spending** isn't expected to improve in the second half of the year as car sales continue in a slump. 1

■ **Ad agency executives** at the Four A's annual meeting pondered future marketing roles for agencies. 1

■ **Pre-upfront** buying activity for the next network TV season is heavy, stimulated by deals that are 5% to 10% below last year's cost-per-thousand levels. 3

■ **Food & Drug Administration** last week began its move against food labels with cholesterol claims. 3

■ **Airlines** battling for leadership as global carriers—American Airlines, British Airways and United Airlines—have begun heavy marketing of their North Atlantic routes. 3

■ **Haircare marketers** are restaging a number of brands this summer, rather than launching new products. 10

■ **Subaru of America** selected six finalists in its search for an agency to succeed Levine, Huntley, Vick & Beaver. Presentations will be made the week of June 10. 10

■ **CBS and NBC** will use promotions at malls, college campuses and comedy clubs to promote their TV programming. 12

■ **Yellow Pages** Publishers Association will test its Brand-Sell concept offering directories as direct-response tools. 12

■ **Walt Disney Co.'s** Buena Vista Home Video will begin its largest marketing effort for animated videos next month. 16

■ **TV home shopping** is expected to show continued strong growth despite the declining number of networks. 17

■ **Film marketers** Eastman Kodak, Polaroid and Fuji have major spring selling efforts planned. 18

■ **Top 200 brands** invested $15.6 billion in media advertising in 1990, up 10.7%. 19

■ **Ads Against AIDS,** an ad-hoc group formed by a number of agency executives, is holding a competition to select ads warning of the threat of AIDS. 24

■ **Checkout Channel,** an in-store TV service from Actmedia and Turner Broadcasting System, is expected to start a national rollout in October. 40

■ **A.C. Nielsen Co.** is adding the tracking of print media to its ScanTrack panel. 42

■ **European Community's** proposal to ban all tobacco advertising in the 12 member countries may lead to further ad bans and restrictions, critics charged. 53

■ **Bozell** lodged a formal complaint after the Florida State Lottery selected Earle Palmer Brown Cos. to succeed a Bozell unit on the $25 million account. 53

■ **Bubble-making toys** from Hasbro, Mattel and others are hot items this spring. 58

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Vol. 62, No. 21—ADVERTISING AGE (ISSN 0001-8899) is published weekly (except special issues the fourth week in January and the fourth week in September) by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Postmaster: Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.50 a copy. $79 a year, $130 two years. Add $126 per year for air delivery to Europe & Middle East. Add $54 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207-3185 1-800-678-9595. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

Japanese accent

Dai-Ichi Kikaku buys 20% of Bloom FCA

By David Kilburn and Bruce Crumley

France's Groupe FCA and Japan's Dai-Ichi Kikaku are joining forces in the U.S.

DIK, Japan's No. 7 shop with links to Omnicom Group, has bought 20% of Bloom FCA, New York, from the French agency, ranked No. 14 in its home country. FCA in February bought 100% of the U.S. agency.

"This deal is purely for the U.S.," said a DIK executive in Tokyo, where the agency is based. A link with FCA in Europe "might be possible, but . . . we haven't decided anything."

It couldn't be determined how much DIK paid for its stake.

Philippe Calleux, Groupe FCA chairman, said the deal "will allow us to accommodate Japanese clients in the U.S., as well as introduce them to the FCA network that they may one day be using in Europe.

"Secondly, we have a [Japanese] partner with a presence throughout the Far East for our American and European clients. So we expect the traffic to flow in both ways, though our growth in America is certainly one of our greatest priorities today."

Neither the French nor the Japanese executives would say which clients have expressed interest in using Bloom FCA.

GLOBAL NEWS

Mr. Calleux did say, however, that "I will tell you that among FCA's international clients, Helena Rubenstein is looking at this new structure with interest."

Other FCA multinational clients include Nestle, BSN Group, L'Oreal and Trans World Airlines. DIK clients include Kao Corp., Mitsubishi Motor Co., Suntory, Toshiba Corp. and Shiseido Co.

"We are not concerned about any client conflicts [between] Bloom FCA and DIK," said Marion Flores, Bloom FCA chief financial officer. "There are no conflicts."

DIK already has links to the U.S., owning 2.4% of New York-based Omnicom; 50% of Kresser/-Craig, Santa Monica, Calif.; and 4.7% of Mickelberry Corp., New York, which owns Partners & Shevack and Chicago agency Bender Browning Dolby & Sanderson.

Both the DIK executive and John Bernbach, president of DDB Needham Worldwide, said their ties, which are outside the U.S., aren't affected by the Bloom FCA deal.

"I don't see any reason why it would," Mr. Bernbach said.

The DIK executive said, "We have a joint venture with DDB Needham in Tokyo, Hong Kong, Singapore, Malaysia and [South] Korea. This is not going to change."

However, he said his agency has had difficulty bringing clients to DDB Needham in the U.S. because of conflicts.

FCA also has a working relationship with Hakuhodo, Japan's No. 2 agency, to jointly handle Mazda Motor Corp.'s European account. Though sources say the two shops once discussed a more formal link, Hakuhodo said the new deal doesn't change the status of its relationship with FCA. □

Julie Skur Hill contributed to this story.

RJR shops ponder Winston

By Judann Dagnoli

R.J. Reynolds Tobacco Co. is using quantity to get more quality into its ailing Winston brand.

RJR has approached all three of its major shops, including agency of record FCB/Leber Katz Partners, for input on new "quality" projects for Winston. New packaging to retain freshness is believed to be included.

Besides New York-based Leber Katz, RJR is using both Camel agency Young & Rubicam and Trone Advertising, Greensboro, N.C., for the projects, which the company wouldn't disclose.

Maura Payne, RJR manager of external relations, said the additional agency input doesn't mean Leber Katz is in trouble on the account, which had $18 million in billings last year.

"FCB remains our agency of record," she said.

"Winston is such an important project for their success that they have brought all their agencies together for help on a particular project," said Bob Hirsch, senior exec VP-director of client services, Leber Katz. "We have been assured . . . that this is not a precursor to an agency review or agency change."

Leber Katz, which also handles Salem and Vantage, picked up the Winston account in July 1989 from McCann-Erickson Worldwide, New York.

it's clear RJR is sticking with its quality positioning, which has drawn mixed reactions.

RJR has a history of asking its agencies of record to implement ideas created by Trone, which came up with the "Smooth character" campaign for Camel while that account was at McCann.

That effort is regarded by many as one of the most successful and innovative cigarette campaigns of the past decade, boosting the brand's share to 4.4% in 1990 from 3.9% a year earlier, according to Wheat, First Securities analyst John C. Maxwell Jr.

A source close to the new Winston projects said the work isn't strictly related to advertising and includes intensive, long-term marketing initiatives.

Ms. Payne's only comment: "We've been reviewing the positioning of Winston to make it a quality cigarette with better cuts of tobacco. . . . Now, we're taking that same review to marketing, and there are some projects coming."

It's clear, however, that RJR is sticking with its quality positioning, which has drawn mixed reactions from observers.

Kidder, Peabody & Co. analyst Roy Burry praised the quality effort but said, "There's no indication that the campaign is working" to increase share.

Mr. Burry said RJR's cigarette volume was down 12% in units in the first quarter of 1991.

Winston had an 8.8% share in 1990, Mr. Maxwell said, down from 9.1% a year earlier. □

Sensor turns to direct marketing

By Alison Fahey and Michael Burgi

Gillette Co., after saturating the TV marketplace with spots for its Sensor shaving system, is turning to target marketing with an $8 million national campaign.

The first-ever direct marketing effort for Sensor starts late this month and includes coupons mailed to 5 million men, product samples mailed to users of competitive products and free standing inserts.

It's the biggest direct marketing campaign for any Gillette shaving product in "a number of years," said Bruce Cleverly, VP-marketing, blades and razors, Gillette North Atlantic Group. Rapp Collins Marcoa, New York, handles.

"Historically, we've depended on a broad-reach medium such as television to reach them," Mr. Cleverly said. "Direct marketing has never played a major role in the evolution of our franchise. Now we're paying attention to it."

Mr. Cleverly said the effort, which will complement Sensor's ongoing mass-media campaign, had been planned since Sensor's January 1990 launch but that supply shortages delayed it.

The first mailing to 5 million men will include coupons worth either $2 or $3 off the system, which includes a Sensor razor and three cartridges. The product retails for about $3.75.

That will be followed by a mailing of 400,000 Sensor razors to men who use competitive wet razors, in hopes of converting them. A $1-off coupon for a five- or 10-pack of cartridges is included.

On June 2 and June 9, Gillette will run FSIs featuring a $2 coupon for Sensor. The FSIs, created by BBDO Worldwide, have a combined circulation of 50 million households and are themed for Father's Day. □